

You are requested to attend a meeting of the Executive to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 11 March 2015 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meetings of the Executive held on 29 January 2015 and 5 February 2015 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct.
- 5 Discretionary Reduction in Council Tax Liability Policy and Discretionary Housing Payment Policy. Report of the Principal Benefits Officer (attached).

Reporting Officer: Mark Antonelli
- 6 Creation of the Somerset Building Control Partnership. Report of the Assistant Director - Operational Delivery (attached).

Reporting Officer: Chris Hall
- 7 Funding request from Creative Innovation Centre Community Interest Company (CICCIC). Report of the Assistant Director - Business Development (attached).

Reporting Officer: Ian Timms
- 8 Establishment of the Somerset Growth Board. Report of the Growth and Development Programme Manager (attached).

Reporting Officer: Dan Webb
- 9 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

Assistant Chief Executive

18 July 2016

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under "Public Question Time" is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council's Planning Committee and details of the "rules" which apply at these meetings can be found in the leaflet "Having Your Say on Planning Applications". A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: www.tauntondeane.gov.uk



Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact the Corporate Support Unit on 01823 356414 or email r.bryant@tauntondeane.gov.uk

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Executive Members:-

Councillor M Edwards	(Business Development and Asset Management and Communications (Deputy Leader))
Councillor J Warmington	(Community Leadership)
Councillor J Williams - Leader of the Council	(Leader of the Council)
Councillor V Stock-Williams	(Portfolio Holder - Corporate Resources)
Councillor N Cavill	(Portfolio Holder - Economic Development, Asset Management, Arts and Tourism)
Councillor J Hunt	(Portfolio Holder - Environmental Services and Climate Change)
Councillor J Adkins	(Portfolio Holder - Housing Services)
Councillor C Herbert	(Sports, Parks and Leisure)

Executive – 29 January 2015

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Cavill, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington

Officers: Penny James (Joint Chief Executive), Shirlene Adam (Director – Operations), Chris Hall (Assistant Director – Operational Development), Tim Child (Asset Manager), Sue Tomlinson (Project Mnager) and Richard Bryant (Democratic Services Manager and Corporate Support Lead)

Also present: Councillors Mrs Allgrove, Beaven, Bowrah, Coles, Denington, Farbahi, Mrs Floyd, Gaines, Hall, Hayward, C Hill, Mrs Hill, Horsley, Miss James, R Lees, Mrs Lees, Ms Lisgo, Meikle, Morrell, Nottrodt, Ms Palmer, Prior-Sankey, D Reed, Mrs Reed, Ross, Mrs Smith, Mrs Stock-Williams, Stone, Mrs Warmington, Watson, Mrs Waymouth, A Wedderkopp, D Wedderkopp, Williams and Wren

(The meeting commenced at 6.15 pm.)

8. Apologies

Councillors Edwards and Hunt.

9. Declarations of Interest

Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions.

10. Executive Forward Plan

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

11. Exclusion of the Press and Public

Resolved that the press and public be excluded from the meeting for the following item because of the likelihood that exempt information would otherwise be disclosed relating to Clause 3 of Schedule 12A to the Local Government Act, 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

12. Proposed sale of a site at Priory Way, Taunton

Considered report previously circulated, which sought permission to sell a site at Priory Way Taunton.

The proposed sale was based on the asset being oversized for the current use and the need for significant investment to bring the asset to a standard fit for the next 10-20 years of operation.

There was a known shortage of available employment land in Taunton and this impacted on local businesses when looking to expand their current operation. In the case of the preferred bidder there was a real chance that these businesses would be lost from Taunton if a sale could not be agreed.

Details of the preferred bidder and the bidding process that was used following the agreed marketing of the site was identified in the report.

The preferred bidder's price remained subject to vacant possession and planning.

Resolved that the proposals set out in the report be approved and that Full Council be recommended to support:-

- (a) The sale of the site at Priory Way, Taunton to the preferred bidder delegating authority to officers, the Portfolio Holder and the Shadow Portfolio Holder to negotiate the most appropriate conditions for this Council;
- (b) The urgent work required to determine the future operating location of the present occupiers of the site;
- (c) The underwriting of the preferred bidder's third party costs that were reasonably incurred specifically relating to planning applications on this site up to £35,000. (This would only be applicable if the alternative condition could be agreed); and
- (d) The capital receipt from the sale of the site being ring-fenced for the provision of a new site for the present occupiers, with any surplus being returned to General Reserves

(The meeting ended at 7.43 p.m.)

Executive – 5 February 2015

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Edwards, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington

Officers: Penny James (Joint Chief Executive), Shirlene Adam (Director – Operations), Ian Timms (Assistant Director – Business Development), Chris Hall (Assistant Director – Operational Delivery), Ian Timms (Assistant Director – Business Development), Paul Fitzgerald (Assistant Director – Resources), Jo Nacey (Finance Manager), Andrew Hopkins (Marketing and Tourist Information Lead), Scott Weetch (Community and Client Services Manager) and Richard Bryant (Democratic Services Manager)

Also present: Councillors Coles and Morrell
Mr Steve Read, Somerset Waste Partnership

(The meeting commenced at 6.15 pm.)

13. Apologies

Councillors Cavill and Hunt.

14. Minutes

The minutes of the meeting of the Executive held on 14 January 2015, copies of which had been circulated, were taken as read and were signed.

15. Public Question Time

Mr Alan Debenham asked why the Somerset Waste Partnership (SWP) still retained the system where residents could opt to use black refuse sacks instead of a 'wheelie bin'? The use of black sacks, in his view, led to a reduction in re-cycling. Mr Debenham also asked for clarity on the recycling of plastics.

In response, Steve Read from the SWP confirmed that although residents were encouraged to have a wheelie bin, there were certain properties in Taunton Deane – for example flats and houses in multiple occupation – where the use of black bags was the only realistic option. As far as plastic recycling was concerned, this currently was limited to all types of plastic bottles, with tops removed.

Councillor Coles thanked Mr Read for the assistance SWP had provided in dealing with a waste disposal issue within his Ward.

16. Declarations of Interest

Councillor Mrs Herbert declared a personal interest as an employee of the

Department of Work and Pensions. Councillor Hunt declared a personal interest as a Member of Somerset County Council.

17. **Somerset Waste Partnership Draft Business Plan 2015-2020**

Considered report previously circulated, concerning the Somerset Waste Partnership's (SWP) Draft Business Plan for the period 2015-2020. The draft Plan had been made available to Members.

The Draft Business Plan and associated Action Plan were the means by which the partnership described its business, evaluated changes to the operating environment, identified strategic risks and set out its priorities. The plan had a five year horizon with particular focus on the next 12 months. It was the primary means to seek approval for and to secure the necessary resources to implement its proposals from the partner authorities.

Three overarching themes had been included within the plan:-

- Alternative Waste Treatment;
- Addressing the Impact of Waste; and
- The Future Shape of the Collection Service / New Service Model.

The plan also set out the draft Annual Budget for the SWP for 2015/2016.

Individual partners had previously been asked to give an indication of any savings targets so that options to achieve these and associated risks could be assessed. All partners had a need to control costs in this area and a number of initiatives were underway to evaluate the opportunities and impacts of future cost management choices.

Specifically trials had been underway in Taunton Deane which would give results that could be used across the partnership. These trials had made temporary alterations to the material types that were collected at the kerbside and the frequency of collections. The trial was completed in December 2014 and the data from this was being analysed now.

Comments on the Business Plan were requested by mid-February, to enable the Somerset Waste Board (SWB) to adopt both the Plan and its budget at its meeting later in the month.

The Draft Plan has been brought together against the background of the continuing difficult economic situation but with a continuing desire from partners to deliver the following key priority areas:-

1. Waste minimisation, high diversion and high capture;
2. Improved services for customers;
3. Contract monitoring and review;
4. Alternatives to landfill and optimising material processing;
5. Investigating Recycling Centre options;

6. Investigating collection service options; and
7. Organisational efficiency.

The Draft Business Plan had been considered by the Corporate Scrutiny Committee on 22 January 2014 and details of comments raised were submitted for the information of the Executive.

Resolved that:-

- (1) The Somerset Waste Partnership's Budget for 2015/2016 be approved; and
- (2) The Draft Business Plan 2015-2020.

18. **Movement of the Tourist Information Centre (TIC) to part of The Market House, Taunton – Request for funding**

The TIC was currently located in Paul Street adjacent to Taunton Library. It had been situated in that location since 1996.

The Taunton Rethink document, adopted in early 2014, had made reference to the relocation of the TIC possibly to Coal Orchard site in conjunction with a regenerated Brewhouse Theatre or to a site in North Street.

As neither of these options were currently available, the possible use of part of The Market House in Fore Street, Taunton had been considered. This building was very large with distinct areas which could be let in individual sections to maximise the income generated by the Council and widened the use of the building.

Its position would also create a very visible presence in this key central part of Taunton which was also perceived as increasing the commercial opportunities for the TIC.

The proposed location of the TIC in the western end of The Market House would complement the letting of the ground floor and basement areas to a good quality restaurant chain. This was in part due to the quality of the proposed design incorporating a new glazed area within the arches of the Market House which created a new entrance to the this area of the building.

Reported that previous tenants at The Market House had suffered from poor physical access to the premises particularly for those individuals who had a disability or required level access. Consideration had been given to this access issue and following consultation with Somerset County Highways and Building Control it was hoped to provide a ramped access.

The final benefit of this proposed move was the reduction of costs associated with the current lease at the Library. The rental cost at the Library together with the annual management charge represented a cost of over £20,000 per annum. Whilst the final rental cost for The Market House was not yet settled, overall savings should be in the region of £10,000.

The Corporate Scrutiny Committee considered this matter at its meeting on 22 January 2015 where Members were broadly supportive of the proposals. Details of a number of specific issues that were raised were reported.

Further reported that JP Gainsford had been instructed to provide an initial design, provide indicative costings, secure necessary access permissions and project manage any agreed build.

The indicative costing for the work was £120,000 although this represented a maximum cost and included appropriate contingency which linked to the age of the building.

If the necessary budgetary allocations were made, it was aimed to complete the works by 30 June 2015. This would enable the TIC to play a key role in the Taunton Live Festival which is planned for 18-25 July 2015.

Resolved that:-

- (1) The principle of moving the Tourist Information Centre to The Market House be agreed; and
- (2) Full Council be recommended to agree the inclusion of a capital budget of £120,000 within the General Fund Capital Programme, to be funded from the Growth and Regeneration (New Homes Bonus) Reserve.

Prior to the presentation of the following report, the Chairman invited Mr Alan Debenham to address the Executive.

Mr Debenham felt there had been a 'massacre of local services' over the past few years and, with the Government proposing to withdraw the Revenue Support Grant, things were only going to become worse. Why had there not been any resistance to this? Did the Councillors actually care? Why had the local Councils not joined together to protest about the cuts? Why was there to be no increase in Council Tax next year?

In response the Chairman stated that all Councillors did care about the delivery of services. However, the country had had to face a very serious recession where difficult decisions had been made. The Council simply could not ignore the Government. If it chose to do this, the Government would simply take over the running of Taunton Deane. Many Councils were working together with the Local Government Association to make representations to Ministers about the lack of funding. With regard to the proposed Council Tax Freeze, Councillor Williams said that the Council was not going to take money from residents if it was not needed.

19. **General Fund Revenue Estimates 2015/2016**

Considered report previously circulated, regarding the Executive's 2015/2016 Draft Budget proposals, prior to submission to Full Council on 24 February 2015 for approval.

Each year the Council set an annual budget which detailed the resources needed to meet operational requirements. The annual budget was prepared within the context of priorities identified by Members which were embedded in the Council's Corporate Business Plan.

It had been well reported that the Council faced significant and continuing financial challenges, with annual reductions in Government funding for Local Council services as the Government sought to reduce the national deficit.

The Executive's Budget proposals had been presented to the Corporate Scrutiny Committee on 22 January 2015 for review and comment. Specific recommendations made by Members related to a request for further information in relation to public toilets and the process surrounding community asset transfers and arrangements with Town and Parish Councils and asking for the previous decision to remove the funding for the fixed-term Climate Change Officer role to be re-considered.

The responses of the Executive to these recommendations were reported.

Details of the Provisional "Settlement Funding Assessment" for 2015 and 2015/2016 had been announced by the Department of Communities and Local Government (DCLG) on 18 December 2014.

The funding settlement for the past three years (to 2015/2016) had seen the Council's main general funding reduce by £1,605,000 in cash terms (26.8%). 2013/2014 saw the introduction of changes to the main method of general funding, with core funding now received via the Revenue Support Grant (RSG) plus Retained Business Rates (BR). A number of previously separate grants had been 'rolled in' to the funding base including the Council Tax Freeze Grants, Homelessness Prevention Grant and Council Tax Support Funding.

The "headlines" from the Provisional Settlement Funding Assessment (SFA) were:-

- The net Settlement Funding had been cut by 15.5% in 2015/2016, further to the 13.4% reduction in 2014/2015. This comprised combined funding targets for RSG and BR Baseline.
- RSG had been reduced by £850,000 (30.7%) compared to 2014/2015, from £2,766,000 to £1,916,000.
- BR Baseline had been increased by 1.9%, from £2,412,000 to £2,458,000.
- New Homes Bonus (provisional) grant had been increased by £876,000, to £3,178,000.
- A Council Tax Freeze Grant of £62,000 was available for 2015/2016 tax setting. This grant, if taken, would be rolled into the base for RSG in future and therefore be included in future settlements beyond 2015/2016 (subject to future Spending Reviews).

Noted that the following table summarised the updated funding baseline:-

Provisional Settlement Funding Assessment headline figures

	2013/14	2014/15	Change		2015/16	Change	
	£k	£k	£k	%	£k	£k	%
Updated RSG Baseline	3,613	2,766	-847	-23.4%	1,916	-850	-30.7%
Business Rates Baseline	2,366	2,412	46	1.9%	2,458	46	1.9%
Total Funding Baseline	5,979	5,178	-801	-13.4%	4,374	-804	-15.5%

Reported that the budget forecast for Retained BR income had increased by £403,000 in 2015/2016. However, the local forecast of BR funding, was above the BR Baseline. There was a risk in terms of the gap between the Council's budget and safety net, and it was therefore proposed to set aside £298,000 as a contingency within the BR Smoothing Reserve. The balance of the increased funding (£105,000) would be used to support the budget plans for 2015/2016.

Noted that confirmation had recently been received from the Secretary of State for Communities and Local Government that the application to form a Pool of Authorities for Non-Domestic Rates with BANES; Mendip; North Somerset; Sedgemoor; Somerset County; and South Somerset Councils had been successful. This arrangement would come into effect from 1 April 2015 and would be reviewed on an annual basis. The figures above were based on our individual retention forecast. It was anticipated that once the implications had been worked through, the pool would provide a positive impact for the budget in 2016/2017.

Reported that the New Homes Bonus (NHB) Grant had been in place since 2011/2012. It was non-ringfenced which meant the Council was free to decide how to use it.

The Government had very recently announced the Provisional NHB Grant allocation of £3,178,000 for 2015/2016. The total grant was an increase of £876,000 compared to the grant for 2014/2015.

The current budget for 2015/2016 assumed that £392,000 of this grant would be used as 'mainstream funding' to support the annual budget. This would allow the Council to continue to support functions such as Regeneration and Economic Development, which would ensure that the benefits of growth were maximised for Taunton Deane and its communities.

The strategic principle set out in the Budget Approach was that all unallocated NHB would be set aside for investment in growth and regeneration. On this basis the current draft budget for 2015/2016 and the Medium Term Financial Plan (MTFP) forecasts assumed that the balance of the grant (after deducting £392,000) was to be allocated to support investment in growth and regeneration projects.

Further reported that the Housing Benefit and Council Tax Administration Grant was separate to the general funding provided through RSG and BR. The national budgets that provided the source of this grant had been split – with a proportion being transferred to the Department for Works and Pensions (DWP) for Housing Benefit element, with the balance retained by DCLG for Council Tax Support administration. The combined Provisional Grant allocation for 2015/2016 was

£565,000 which was £65,000 (10%) less than the grant for 2014/2015.

Council Tax for 2015/2016

The Council Tax Base of 38,348.55 Band D Equivalents had been approved under delegated powers by the Section 151 Officer.

Although the Localism Act had abolished Central Government power to cap tax increases, the Local Government Secretary had the power to set a threshold for “excessive” tax rises. Last year, the Government had indicated its intention to set a limit of 2% and this was the current assumption for financial planning purposes.

However, the Executive was minded to implement a Council Tax Freeze in 2015/2016. The proposed tax rate charged would remain unchanged at £137.88 per year (£2.64 per week) based on a Band D Property.

Using the Council Tax Base for 2015/2016 the draft budget estimate for Council Tax income would therefore be $38,348.55 \times £137.88 = £5,287,498$ (excluding parish precepts). This represented a total increase in budgeted income of £94,528.

Council Tax Freeze Grant

The details of a potential Council Tax Freeze Grant for 2015/2016 had been announced in the Provisional Funding Assessment. It was anticipated that a Freeze would attract a grant worth approximately £62,000. This was broadly equivalent to a 1% tax increase which would be included in the spending review baseline for future years.

The current budget estimates and MTFP forecasts had assumed that Council Tax would be frozen in 2015/2016 but increased by 1.99% in 2016/2017.

It was important that Members considered and understood the implications of a Tax Freeze on the continuing funding base. By way of comparison, a table was submitted which provided Members with an indication of the impact of tax setting for the next three years, with a scenario based on the 2015/2016 tax base, which showed that a tax freeze compared to a possible 1.99% tax increase each year was likely to reduce the funding base by approximately £220,000 per year from 2017/2018.

Special Expenses / Unparished Area Budget

In line with the budget approach in previous years, and the inherent link with the calculations for Council Tax Freeze grant eligibility and referendum thresholds, the Executive proposed that the Special Expenses Rate (SER) would remain the same in 2015/2016. The Special Expenses income raised through Council Tax in 2014/2015 was £42,900 which was a Band D Equivalent charge per year of £2.98 for the Unparished Area of Taunton. In addition, the Unparished Area Budget had received a notional Council Tax Support (CTS) Grant of £6,690 in 2014/2015 giving a total budget for the year of £49,020.

The proposed Unparished Area Budget for 2015/2016 was £48,930. The slight

reduction compared to 2014/2015 was due to reduced demand and therefore reduced cost of CTS within the Unparished Area.

Council Tax Support (CTS) Grant and Funding for Parishes

The Government had included funding for the Council's share of the cost of CTS within the baselines for RSG and retained BR in 2014/2015. As this funding was included in the baseline it was not transparent as to how much funding would be received for CTS in 2015/2016.

Members had previously approved the continuation of the current CTS Scheme from 1 April 2015. Included within the approvals was the preferred option to pass on funding for CTS to Parish Councils and the Unparished Area. This had resulted in the following total estimated grant funding from Taunton Deane in 2015/2016:-

	£
Grants payable to Town and Parish Councils	38,970
Notional grant allocated to Unparished Area Budget	6,030
Total funding to be passed on for CTS	<u>45,000</u>

The 2015/2016 Budget Gap

In September 2014 it had been reported that a small gap of £22,000 in the budget existed for 2015/2016. The gap had been kept to a minimum by the implementation of the Joint Management and Shared Service Business Case, which had identified significant savings for both Taunton Deane and West Somerset Councils.

Reported that at the Corporate Scrutiny Committee on 11 December 2014, the estimated Budget Gap for 2015/2016 was showing a 'work in progress' surplus of £362,000. A further projection following the Provisional Settlement was a surplus of £379,000.

Draft Budget Proposals 2015/2016

The Draft Budget had been prepared to deliver, as a minimum, a balanced budget for 2015/2016. This was in the context of the over-arching objective in the Corporate Business Plan to achieve financial sustainability. It was assumed that the new Council would address budget priorities beyond 2015/2016 and develop and agree the next Budget Strategy.

The Executive had worked with the Management Team to prepare options in line with three-year savings targets set last year, weighted in line with priorities indicated by Members through the preparation of the Corporate Business Plan. Whilst a primary focus had been to identify proposals that delivered the priorities and ambitions of the Corporate Business Plan and minimised the impact of budget reductions, it was inevitable that some proposals would affect frontline services in future although minimal impact was expected for 2015/2016.

Following work to develop the Draft Budget further, a number of proposals had been put forward which the Executive was minded to support to invest in services that

would improve the area and support growth and regeneration. These were shown in the following table:-

Summary Total of Budget Proposals and Options

Budget Gap Reconciliation	£k	£k
Budget Gap working balance Per Consultation Pack		-379
Proposals:		
Waste management – enforcement and support for events	10	-369
Asset management – additional capacity to support commercial arrangements	30	-339
Marketing	25	-314
Town centre wifi – set up (one-off)	30	-284
Town centre wifi – ongoing costs	15	-269
PR support – Asst Media Officer 3 days/wk	20	-249
Street cleansing – additional caretaker and cleaning	42	-207
Grass cutting	50	-157
Weed spraying	10	-147
Corporate Fraud – match funding	20	-127
<i>Budget impact of Motions to Council: (See section 8)</i>		
Reopen Hamilton Park public conveniences	8	-119
Full-time cleaning operative to remove needles etc	25	-94
Specialist provision to support users in looking to break the addiction	25	-69
Match funding for education programme re dangers of Legal Highs	5	-64
Support for growth – finance resources	95	31
Reduction in transfer to New Homes Bonus Reserve	-95	-64
RCCO – Revenue funding for TIC relocation	120	56
Transfer from Growth and Regeneration reserve	-120	-64
Council Tax - initial estimate at 1.99% - Removed	105	41
Council Tax Freeze grant – assume one-off	-62	-21
Collection Fund Surplus – final estimate adjustment	19	-2
Completion of detailed estimates	77	75
Business Rates – Final NNDR1 Adjustment	-75	0
Capacity Funding Grant	-240	-240
Planning spend re Capacity grant	240	0
Reduction in transfer to BRR based on final NNDR1	-42	-42
Revision of estimated Levy payment to Government	42	0
Budget Gap for 2015/16		0

Noted that a detailed explanation of all the proposals listed above were included in the report. This took into account Motions that had been agreed at previous Full

Council meetings in connection with services in the Unparished Area of Taunton, Legal Highs and Christmas Lights.

With regard to the latter, at present the draft budget did not include an allocation in respect of Christmas Lights on the basis that the motion proposed to review funding potential from any year end underspend.

Fees and Charges

Fees and Charges for 2015/2016 had been approved by Full Council on 9 December 2014, and the impact of these had been included in the Draft Budget.

Further to representations received in connection with Taxi Licensing fees, the Council had committed to continue to review the method applied to calculating these fees. Work had progressed and minor amendments were now considered appropriate to some of the 2015/2016 fees previously approved, as shown below. The overall impact on the budget was forecast to be a cost of £2,400 and this would be addressed through the licensing earmarked reserve.

Taxi Licensing	Approved 2015/16 Fees	Revised 2015/16 Fees
Hackney Carriage/Private Hire Vehicle Licence	£155.00	£149.00
Hackney Carriage/Private Hire Vehicle Licence - Renewal	£153.00	£148.00
Private Hire Operator Licence	£147.00	£132.00
Private Hire Operator Licence - Renewal	£112.00	£97.00
Application for new drivers licence	£152.00	£147.00
Application for new drivers licence 3 years	£260.00	£243.00
Driver licence renewal – 1 year	£101.00	£95.00
Driver licence renewal – 3 years	£245.00	£228.00

DLO Trading Account

During recent months the DLO service has obtained new business which had increased the income expectations in 2015/2016. However due to inflation, changes within the pension contribution budgets and increased charges on capital assets the net surplus remained the same.

The General Fund budget included the trading surplus of £101,000 so that the DLO was contributing to the net income for the Council. Efficiency savings within the DLO had also been passed on to the General Fund and HRA, making DLO services better value for money. Any additional surplus would be transferred to the DLO Trading Account reserve.

The forecast reserves position for 2015/2016 remained positive and provided some

resilience to volatility in trading performance and future investment needs

Deane Helpline Trading Account

The Deane Helpline was a stand-alone trading account service. In 2015/2016 the estimated deficit was £80,000, a reduction of £6,000 compared to the original budget for 2014/2015. This deficit would need to be funded by the General Fund.

The draft budget was based on a freeze for both private customers and Council Tenants with regard to the weekly charge, however installation fees for private customers would increase from £25 to £35. There would also be a 1.84% increase in charge for Corporate Contracts.

The previous price cap for long-standing clients had been removed and all private customers were now paying for the service at the same rate. This was generating an important increase in income.

Minimum Revenue Provision Policy

Before the start of each financial year, the Council was required to determine the basis on which it would provide for the repayment of borrowing undertaken for the purpose of financing capital expenditure. This annual provision, known as Minimum Revenue Provision (MRP), was designed to ensure that authorities made prudent provision to cover the continuing costs of their borrowing.

In 2008, the Government became less prescriptive offering Councils a number of options for calculating MRP. For the current financial year, the Council had determined to calculate MRP as follows:-

- for supported borrowing, 4% on outstanding debt;
- for unsupported borrowing, the debt associated with asset divided by the estimated useful life of the asset; and
- for capital grants and contributions to third parties, 4% (or 1/25th) per year on a straight line basis.

It was proposed the above policy remained in place for 2015/2016.

Draft General Fund Budget Summary 2015/2016

The following table compared the proposed budget with the original budget for the current year. The table has been completed assuming a Council Tax Freeze as per the current budget assumptions.

	Original Budget 2014/15 £	Draft Estimate 2015/16 £
Total Spending on TDBC Services	12,496,710	12,047,560
Capital Charges Credit	-2,702,150	-2,513,080
Revenue Contribution to Capital	528,590	648,590
Interest payable	0	0
Parish Precepts	503,460	531,720
Grants to Parishes for CTS	40,940	38,970
Special Expenses	42,330	42,900
Grants to Unparished Area	6,180	6,030
Capital Debt Repayment Provision (MRP)	692,640	562,270
Interest Income	-313,750	-314,000
Transfers to/from Earmarked Reserves	1,910,560	2,142,500
Transfer to General Reserves	-17,200	0
AUTHORITY EXPENDITURE	13,188,310	13,193,460
Less: New Homes Bonus	-2,302,850	-3,178,650
Less: Revenue Support Grant	-2,766,310	-1,916,420
Less: Retained Business Rates	-2,345,800	-2,749,000
Collection Fund Deficit – Business Rates	0	709,660
Less: Council Tax Freeze Grant	0	-62,400
Collection Fund Surplus – Council Tax	-34,630	-134,530
Demand on Collection Fund – Parishes & SER	-545,750	-574,620
Expenditure to be financed by District Council Tax	5,192,970	5,287,500
Divided by Council Tax Base	37,662.97	38,348.55
Council Tax @ Band D	£137.88	£137.88
Cost per week per Band D equivalent	£2.64	£2.64

Medium Term Financial Plan Summary

The Council prepared its annual budget within the context of the MTFP. This provided estimates of the budget requirement and budget gap into future years. The following table provided a summary of the current indicative MTFP based on the current draft budget estimates including savings proposals:-

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Net Expenditure on Services	12,067	12,744	13,332	13,934	14,493
Other Operating Costs & Income	(287)	(278)	(268)	(258)	(247)
Parish precepts and Special expenses	574	575	576	577	578
Transfers to/from Earmarked Reserves	2,141	3,358	3,482	3,351	3,180
Transfers to/from General Reserves	0	0	0	0	0
Capital Financing Adjustments	(1,302)	(1,422)	(1,548)	(1,548)	(1,548)
Net Expenditure	13,193	14,977	15,574	16,056	16,456
<i>Financed By:</i>					
New Homes Bonus	(3,179)	(3,768)	(3,892)	(3,761)	(3,590)
Retained Business Rates	(2,749)	(2,869)	(2,972)	(3,035)	(3,122)
Revenue Support Grant	(1,916)	(1,319)	(726)	(327)	(114)
Council Tax Freeze Grant	(62)	0	0	0	0
Demand on Collection Fund - TDBC	(5,288)	(5,433)	(5,583)	(5,736)	(5,894)
Demand on Collection Fund - Parishes & SER	(574)	(575)	(576)	(577)	(578)
Previous Years Collection Fund Deficit Share - NDR	710	0	0	0	0
Previous Years Collection Fund Surplus Share - Council Tax	(135)	0	0	0	0
Predicted Budget Gap	0	1,013	1,825	2,620	3,158

The above estimates included the following main assumptions related to funding:-

- The RSG for 2015/2016 was as set out in the Provisional Finance Settlement. It was then projected to diminish to nil by 2020/2021.
- The updated estimates for BR funding for 2015/2016 took into account the cap on the RPI increase to Rates at 1.91%.
- Council Tax was assumed to be frozen in 2015/2016 and increased by 1.99% in 2016/2017.

Beyond 2015/2016, the MTFP included anticipated inflationary pressures related to staffing pay awards, price inflation on services and major contracts, as well as the estimated funding position over the next five years.

General Reserves

Further reported that the reserves position was part of the overall financial framework that underpinned the Budget Strategy. This framework included an acceptable minimum reserves position of £1,500,000, or £1,250,000 if funds were allocated to 'invest to save' initiatives.

The current Budget for 2015/2016 would maintain reserves above this minimum, but following a number of allocations from reserves agreed during 2014/2015 there was limited 'headroom' in the current estimated balance. This would significantly limit the Council's ability to fund 'up front' service and transformation investment from revenue reserves. From a financial strategy perspective it would be sensible to take advantage of any opportunities to increase reserves, to increase flexibility and resilience to the challenges ahead.

Based on the MTFP position set out above the General Reserves forecast was summarised as follows:-

General Reserves Forecast

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Estimated Balance B/F	1,897	1,897	884	-942	-3,562
Predicted Budget Gap	0	-1,013	-1,825	-2,620	-3,158
Estimated Balance C/F	1,897	884	-942	-3,562	-6,721

Clearly the Council would need to ensure action was taken to ensure the projected financial deficit over the medium term was avoided and (at least) minimum balances were maintained. This was essential for the continuing financial resilience and sustainability of the Council. The Budget Proposals and Options presented for consideration provided opportunities to make significant progress towards addressing the financial challenge.

The Council's Section 151 Officer also had a duty in accordance with The Local Government Act 2003 to comment, as part of the budget setting process, on the robustness of the budget plans. In her response, Shirlene Adam had stated that she believed the Council's reserves to be adequate and the budget estimates used in preparing the 2015/2016 budget to be robust.

Noted that Equalities Impact Assessments were undertaken when appropriate. None were required for the savings proposals included in the report.

Resolved that Full Council be recommended to agree the General Fund Revenue Budget for 2015/2016 and that:-

- (a) The Section 151 Officer's Statement of Robustness, which applied to the whole budget including General Fund, Housing Revenue Account and Capital Budget proposals be noted;
- (b) The General Fund Revenue Budget 2015/2016, including a Basic Council Tax Requirement budget of £5,287,500 and Special Expenses of £42,900 be approved;
- (c) The transfer of any unallocated year end under/overspend in the 2014/2015 General Fund Revenue Account Outturn to/from the General Fund Reserves be approved;
- (d) The Budget Savings Proposals for 2015/2016 as set out in the report be approved and that it be noted that Equalities Impact Assessments were not required for the savings detailed in the report;
- (e) The General Reserves position and Medium Term Financial Plan projections, and the continuing financial challenge to address the Budget Gap for future years be noted;

- (f) The Minimum Revenue Provision Policy for 2015/2016 as set out in the report be approved; and
- (g) The revised Taxi Licensing Fees, set out above, be also approved.

20. **Housing Revenue Account Estimates 2015/2016**

Considered report previously circulated, which set out in detail the proposed Housing Revenue Account (HRA) Estimates for 2015/2016.

2015/2016 would be the fourth year of operating the HRA under self-financing arrangements. The Council remained on course to repay the settlement debt of £85,200,000 by 2030.

The Proposed Budget was based on assumptions and estimates on expenditure requirements and income projections, in order to deliver the updated Business Plan.

Dwelling rents for more than 5,800 properties provided annual income of over £24,000,000 for the HRA.

Local authorities had both the power and duty to set their own rent. However, in December 2000 Central Government had set out a policy for social rents in England to be fair, affordable and less confusing for tenants. Local Authorities and Housing Associations had been requested to bring rents into line over several years, using a national formula to set a target rent (also called 'formula rent') based on property values and average manual earnings in each area.

The previous subsidy system required Local Authorities to raise their 'average weekly rent' to meet the 'target' or 'formula' rent by the convergence date of 2015/2016. However, the Government had recently amended its guidance in this respect and full convergence could not now be obtained.

2014/2015 was the final year that a convergence factor could be included in the rent calculation, and the continuing impact of this change was that the Council would lose the potential to increase rent income by approximately £242,000 per year from 2015/2016 onwards.

From 2015/2016 the Government had altered the basis for calculation of guideline rent increases, from RPI plus ½%, to CPI plus 1%. CPI inflation as at September 2014 was 1.2%

In line with the national rent guidance and the service need identified in the Business Plan, it was proposed that the average weekly rent for dwellings for 2015/2016 should be set at the guideline rent of £83.88, an increase of 2.2% or £1.82 per week.

Reported that Members could choose not to increase rents to the guideline amount. However, each 0.5% rent change would cost (or save) tenants an average of 41p per week (£21.32 per year) and would bring in (or reduce) HRA income by around £118,500 per year.

Around 7.4% of HRA income came from non-dwelling rents, charges for services and facilities and contributions to HRA costs from leaseholders and others. It was proposed to increase these budget lines generally by 2.3% although garages rented by private tenants and owner occupiers were proposed to increase by 5%.

The General Fund would be contributing a share towards the costs in the HRA for work done on estates where people had bought their homes under Right to Buy. This had been rebased in line with a recommendation in the audit report.

The HRA expenditure budgets, which included Management Expenses, Maintenance, Rents, Rates, Taxes and Other Charges, Provision for bad debts, Depreciation, Debt Management Expenses, Repayment of Borrowing and Interest and Interest receivable were submitted and details of significant changes were reported.

Also reported on appropriations, in the form of Transfers to General Fund, Revenue Contributions to Capital and Social Housing Development Fund.

Further reported that as set out in the HRA Business Plan the recommended minimum unearmarked reserve balance for the HRA was £1,800,000 (approx £300 per property). There were no budgeted transfers to or from this balance in 2014/2015. The current projected balance in the current financial year was approximately £2,170,000, and this would provide some flexibility to fund additional one off costs, if required.

Further reported that the Draft Housing Revenue Account Budget was presented to the Corporate Scrutiny Committee on 22 January 2015 for review and comment. No specific amendments to the Draft Budget were formally recommended by the Committee.

Noted that a full Equalities Impact Assessment had been included with the approved HRA Business Plan, upon which the Draft Housing Revenue Account Budget was based.

Resolved that Full Council be recommended to:-

- (1) Approve the average rent increase of 2.2% for 2015/2016 in line with the Council's approved Rent Policy; and
- (2) Agree the Draft Housing Revenue Account Budget for 2015/2016.

21. **Capital Programme Budget Estimates 2015/2016**

Considered report previously circulated, concerning the proposed General Fund and Housing Revenue Account (HRA) Capital Programmes for 2015/2016.

2015/2016 Draft General Fund Capital Programme

In December 2014, Councillors were provided with the initial draft Capital Programme ideas as part of the Members' Budget Consultation Pack. This set out

the bids received from budget holders and were shown against the prioritisation system previously devised by the Joint Management Team and supported by Members. The prioritisation system was developed in order to ensure that the Council's very limited Capital Resources were channelled at key projects.

Capital bids are assessed using the following approved criteria:-

Priority	
1	Business Continuity (corporate / organisational)
2	Statutory Service Investment (to get to statutory minimum / contractual / continuity)
3	Growth (top 5)
4	Transformation
5	Others

The proposed Draft General Fund Capital Programme for 2015/2016 totalled £1,012,000. Table 1 detailed bids submitted for Deane DLO schemes and Table 2 detailed bids submitted for General Fund Schemes, and these have been prioritised for consideration by Members for the 2015/2016 Capital Programme.

Bids Submitted for Deane DLO Schemes

Project	Cost £k	Priority				
		1	2	3	4	5
Annual DLO RCCO Funded Projects						
DLO Vehicles	180		180			
DLO Plant	23		23			
Total	203		203			

Bids Submitted for General Fund Schemes

Project	Cost £k	Priority				
		1	2	3	4	5
PC Refresh	60	30	30			
Waste Containers	50		50			
Play Equipment – Grants	20					20
Play Equipment – Replacement	20		20			
Disabled Facilities Grant	388		388			
Car Park Improvements	126		126			
Deane Helpline Equipment replacement	25		25			
Relocation of Tourist Information Centre	120			120		
Total	809	30	639	120	0	20

A detailed explanation for all of the proposals listed above were included in the report.

In addition to the above schemes which primarily delivered service continuity and improvements, the following table incorporated the highest priority 'Growth' schemes and their estimated total costs. It was not expected that the Council would be liable for the full amounts but it was anticipated that Taunton Deane would need to make a financial contribution towards these. The Council's strategy of setting aside the majority of the New Homes Bonus Grant could provide funding towards these schemes in future.

Bids Submitted for Growth Schemes

Project	Cost £k	Priority				
		1	2	3	4	5
Growth Schemes						
Firepool Infrastructure and Planning	3,500			3,500		
Toneway Corridor Improvements (including Creech Castle)	23,120			23,120		
J25 Improvements	9,240			9,240		
Taunton Strategic Flood Alleviation Work	15,000			15,000		
Total	50,860			50,860		

Funding for capital investment by the Council could come from a variety of sources including:-

- Capital Receipts;
- Grant Funding;
- Capital Contributions (for example from another Local Authority or Section 106 Agreement funding);
- Revenue budgets/reserves (often referred as RCCO – Revenue Contributions to Capital Outlay); and
- Borrowing.

The table below summarised the proposed funding of the proposed Capital Programme for 2015/2016:-

Funding of the 2015/2016 Capital Programme

	Current Balance 2014/15 £k	Expected Funding 2015/16 £k	Funding Allocated To 2015/16 £k	Unallocated Balance 2015/16 £k
General Fund				
DLO				
DLO RCCO	0	203	(203)	0
General Funding				
Capital Receipts (share of RTB Receipts)	0	128	0	128
Government Grants	0	388	(388)	0
Revenue Contribution to Capital Outlay	0	442	(421)	21

TOTAL Funding	0	1,161	(1,012)	149
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The table showed that the proposed Capital Programme for 2015/2016 was fully funded through a combination of revenue contributions (DLO and General) plus grant funding provided via Somerset County Council. There would be projected unallocated resources of £149,000, pending actual capital receipts arising, which would provide some flexibility to support future priority schemes.

A detailed explanation as to where the sources of the above funding originated was supplied for the information of Members.

2015/2016 Draft Housing Revenue Account Capital Programme

The proposed Draft HRA Capital Programme 2015/2016 totalled £8,670,000. This was part of a Five-Year Capital Expenditure Estimate of some £40,340,000 for the period 2015/2016 to 2019/2020. The Programme reflected the priorities set out in the 30-Year Business Plan which was reviewed every year.

The following table showed the total draft high level Five-Year Programme estimated costs. This was in line with the current Business Plan, with a higher budget to Year 7 of the Business Plan (2018/2019). This was in recognition of the backlog of major works required which had been spread over this period.

Draft HRA Capital Programme Totals 2015/2016 to 2019/2020

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	5-Year Total £k
Capital Programme	8,665	8,715	8,869	8,928	5,158	40,335

A breakdown of proposed Capital Programme for 2015/2016 was shown below. This was provided to highlight the proposed capital investment requirements in the next budget year.

Draft HRA Capital Programme 2015/2016

Project	Total Cost £
Major Works	6,590,000
Improvements	155,000
Related Assets	125,000
Exceptional Extensive Works	260,000
Disabled Facilities Grants and Aids and Adaptations	435,000
IT Systems and Software Improvements	100,000
Social Housing Development Fund	1,000,000
Total Proposed HRA Capital Programme 2015/16	8,665,000

A detailed description for all of the proposals listed above were included in the

report.

A summary of the estimated funding available before the funding of the 2015/2016 Capital Programme was shown in the table below:-

Funding Estimates

Funding	Current Balance 2014/15 £k	Expected Funding 2015/16 £k	Total Funding 2015/16 £k
Major Repairs Reserve	46	6,746	6,792
Revenue Contribution to Capital Outlay	0	873	873
Social Housing Development Fund		1,000	1,000
TOTAL Funding	46	8,619	8,665

Further reported that the Draft General Fund and HRA Capital Programmes were presented to the Corporate Scrutiny Committee on 22 January 2015 for review and comment. No specific amendments to the Draft Budget were formally recommended by the Committee.

Noted that Equalities Impact Assessments had been undertaken on proposed budget items where appropriate. Copies of the assessments were submitted to enable them to be taken fully into account by Members in confirming the recommended budget proposals for 2015/2016.

Resolved that Full Council be recommended to approve:-

- (i) The General Fund Capital Programme Budget of £1,012,000 for 2015/2016; and
- (ii) The Housing Revenue Account Capital Programme of £8,670,000 for 2015/2016.

22. Council Tax Setting 2015/2016

Considered report previously circulated, which made recommendations on the level of Council Tax for 2015/2016.

The Localism Act 2011 had made significant changes to the Local Government Finance Act 1992, and now required the billing authority to calculate a Council Tax requirement for the year.

Submitted details of the Town and Parish Council Precepts that had been received for 2015/2016 which totalled £574,623.

The increase in the average Band D Council Tax for Town and Parish Councils was 3.41% which resulted in an average Band D Council Tax figure of £14.98 (£14.49 for 2014/2015).

Reported that the Precept for the Police and Crime Commissioner (PCC) was due to approve its tax requirement on 12 February 2015. It was estimated the precept would be £6,702,560 which would result in a Band D Council Tax of £174.78, an increase of 1.99%. The Precept would be adjusted by a Collection Fund contribution of £151,312.

Somerset County Council was due to approve its tax requirement on 18 February 2015. It was estimated that the precept would be £39,395,457 which would result in a Band D Council Tax of £1,027.30 (the same as 2014/15). As these figures were still provisional, they could be subject to change. The Precept would be adjusted by a Collection Fund contribution of £907,040.

Noted that the Precept for Devon and Somerset Fire and Rescue Authority was currently unavailable. Therefore only provisional amounts, assuming a 0% increase, had been included within the report pending approval. The Authority was due to approve its tax requirement on 20 February 2015. It was estimated the precept would be £2,948,620, which resulted in a Band D Council Tax of £76.89. The Precept would be adjusted by a Collection Fund contribution of £66,565.

The estimated balance on the Council Tax Collection Fund was forecast on 15 January each year. Any surplus or deficit was shared between the County Council, the Police and Crime Commissioner, the Fire Authority and the Council, in shares relative to the precept levels.

The estimated balance on the Council Tax Collection Fund was a surplus of £1,259,450. Taunton Deane's share of this amounted to £134,533, and this had been reflected in the General Fund Revenue Estimates.

Resolved that Full Council be recommended to:-

(a) Approve the following formal Council Tax Resolution to reflect the proposed Council Tax Freeze in 2015/2016:-

(1) That it be noted that on 15 January 2015 the Council calculated the Council Tax Base for 2015/2016:-

(i) for the whole Council area as 38,348.55 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"); and,

(ii) for dwellings in those parts of its area to which a Parish precept related as in the attached Appendix B to these Minutes;

(2) That the Council Tax requirement for the Council's own purposes for 2015/2016 (excluding Parish precepts) be calculated as £5,287,500;

(3) That the following amounts be calculated for the year 2015/2016 in accordance with Sections 31 to 36 of the Act:-

- (i) £90,777,603 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. (*Gross Expenditure including amount required for working balance*)
 - (ii) £84,915,480 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet Gross Expenditure*)
 - (iii) £5,862,123 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). (*Total Demand on Collection Fund.*)
 - (iv) £152.86 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). (*Council Tax at Band D for Borough Including Parish Precepts and Special Expenses*)
 - (v) £545,623 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as in the attached Appendix B to these Minutes). (*Parish Precepts and Special Expenses*).
 - (vi) £137.88 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. (*Council Tax at Band D for Borough Excluding Parish Precepts and Special Expenses*);
- (4) To note that Somerset County Council, Avon and Somerset Police and Crime Commissioner and Devon and Somerset Fire Authority would issue precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area;
- (b) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate provisional amounts shown in the table in Appendix A to these Minutes as the amounts of Council Tax for 2015/2016 for each part of its area and for each category of dwellings;
 - (c) Determine that the Council's basic amount of Council Tax for 2015/2016 was not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992; and
 - (d) Note that if the above formal Council Tax Resolution was approved the total Band D Council Tax would be as follows:-

	2014/2015	2015/2016	Increase
	£	£	%
Taunton Deane Borough Council	137.88	137.88*	0.00%
Somerset County Council	1,027.30	1,027.30*	0.00%
Police and Crime Commissioner	171.37	174.78*	1.99%
Devon and Somerset Fire Authority	76.89	76.89*	0.00%
Sub-Total	1,413.44	1,416.85*	0.24%
Town and Parish Council (average)	14.49	14.98	3.41%
Total	1,427.93	1,431.83*	0.27%

* provisional figures

23. **Executive Forward Plan**

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 8.20 p.m.)

**APPENDIX
A**

Valuation Bands								
Council Tax Schedule 2015/16	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Taunton Deane Borough Council *	91.92	107.24	122.56	137.88	168.52	199.16	229.80	275.76
Somerset County Council *	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
Police and Crime Commissioner *	116.52	135.94	155.36	174.78	213.62	252.46	291.30	349.56
Devon & Somerset Fire & Rescue Authority *	51.26	59.80	68.35	76.89	93.98	111.06	128.15	153.78
Parish / Town only (a) *	9.99	11.65	13.32	14.98	18.31	21.64	24.97	29.97
Parish / Town & District (b) *	101.91	118.89	135.88	152.86	186.83	220.80	254.77	305.73
Total (c)	954.56	1,113.65	1,272.74	1,431.83	1,750.02	2,068.20	2,386.39	2,863.67
<u>Parish: **</u>								
Ash Priors	944.57	1,101.99	1,259.42	1,416.85	1,731.71	2,046.56	2,361.42	2,833.70
Ashbrittle	958.51	1,118.26	1,278.02	1,437.77	1,757.27	2,076.78	2,396.28	2,875.54
Bathealton	948.41	1,106.48	1,264.55	1,422.61	1,738.75	2,054.89	2,371.02	2,845.23
Bishops Hull	957.31	1,116.87	1,276.42	1,435.97	1,755.08	2,074.18	2,393.29	2,871.94
Bishops Lydeard/Cothelstone	967.00	1,128.16	1,289.33	1,450.50	1,772.83	2,095.16	2,417.50	2,900.99

Bradford on Tone	959.21	1,119.08	1,278.95	1,438.82	1,758.55	2,078.29	2,398.03	2,877.63
Burrowbridge	960.91	1,121.07	1,281.22	1,441.37	1,761.67	2,081.98	2,402.28	2,882.74
Cheddon Fitzpaine	959.68	1,119.63	1,279.58	1,439.52	1,759.42	2,079.31	2,399.21	2,879.05
Chipstable	956.88	1,116.36	1,275.84	1,435.32	1,754.28	2,073.24	2,392.21	2,870.65
Churchstanton	961.49	1,121.73	1,281.98	1,442.23	1,762.73	2,083.22	2,403.72	2,884.46
Combe Florey	958.48	1,118.23	1,277.98	1,437.73	1,757.22	2,076.72	2,396.21	2,875.45
Comeytrowe	952.46	1,111.20	1,269.95	1,428.69	1,746.18	2,063.66	2,381.15	2,857.38
Corfe	954.91	1,114.06	1,273.21	1,432.36	1,750.67	2,068.97	2,387.27	2,864.73
Cotford St Luke	959.24	1,119.11	1,278.99	1,438.86	1,758.61	2,078.35	2,398.10	2,877.72
Creech St Michael	964.83	1,125.63	1,286.44	1,447.24	1,768.85	2,090.46	2,412.07	2,894.49
Durston	951.44	1,110.01	1,268.58	1,427.15	1,744.30	2,061.44	2,378.59	2,854.31
Fitzhead	961.65	1,121.93	1,282.20	1,442.48	1,763.03	2,083.58	2,404.13	2,884.96
Halse	953.89	1,112.87	1,271.85	1,430.84	1,748.80	2,066.76	2,384.73	2,861.67
Hatch Beauchamp	954.94	1,114.09	1,273.25	1,432.41	1,750.72	2,069.03	2,387.34	2,864.81
Kingston St Mary	953.13	1,111.99	1,270.84	1,429.70	1,747.41	2,065.12	2,382.83	2,859.40
Langford Budville	957.69	1,117.30	1,276.92	1,436.53	1,755.76	2,074.99	2,394.22	2,873.07
Lydeard St Lawrence/Tolland	957.41	1,116.98	1,276.54	1,436.11	1,755.25	2,074.38	2,393.52	2,872.22

Milverton	960.81	1,120.95	1,281.08	1,441.22	1,761.49	2,081.76	2,402.03	2,882.43
Neroche	957.05	1,116.55	1,276.06	1,435.57	1,754.58	2,073.60	2,392.62	2,871.14
North Curry	960.11	1,120.12	1,280.14	1,440.16	1,760.19	2,080.23	2,400.27	2,880.32
Norton Fitzwarren	962.38	1,122.78	1,283.17	1,443.57	1,764.36	2,085.15	2,405.95	2,887.14
Nynehead	957.44	1,117.01	1,276.58	1,436.16	1,755.30	2,074.45	2,393.59	2,872.31
Oake	954.91	1,114.06	1,273.21	1,432.36	1,750.66	2,068.97	2,387.27	2,864.72
Otterford	944.57	1,101.99	1,259.42	1,416.85	1,731.71	2,046.56	2,361.42	2,833.70
Pitminster	956.75	1,116.20	1,275.66	1,435.12	1,754.04	2,072.95	2,391.87	2,870.24
Ruishton/Thornfalcon	960.73	1,120.85	1,280.97	1,441.09	1,761.33	2,081.57	2,401.81	2,882.18
Sampford Arundel	970.43	1,132.17	1,293.91	1,455.65	1,779.12	2,102.60	2,426.08	2,911.29
Staplegrove	952.60	1,111.36	1,270.13	1,428.90	1,746.43	2,063.96	2,381.49	2,857.79
Stawley	956.03	1,115.37	1,274.71	1,434.05	1,752.72	2,071.40	2,390.08	2,868.09
Stoke St Gregory	962.56	1,122.98	1,283.41	1,443.84	1,764.69	2,085.54	2,406.40	2,887.68
Stoke St Mary	955.38	1,114.61	1,273.85	1,433.08	1,751.54	2,070.00	2,388.46	2,866.15
Taunton	946.55	1,104.31	1,262.07	1,419.83	1,735.35	2,050.87	2,366.38	2,839.66
Trull	959.17	1,119.03	1,278.89	1,438.75	1,758.47	2,078.19	2,397.92	2,877.50
Wellington	962.83	1,123.31	1,283.78	1,444.25	1,765.19	2,086.14	2,407.08	2,888.50
Wellington Without	957.89	1,117.54	1,277.19	1,436.84	1,756.14	2,075.43	2,394.73	2,873.68

West Bagborough	959.39	1,119.29	1,279.19	1,439.09	1,758.88	2,078.68	2,398.48	2,878.17
West Buckland	956.46	1,115.87	1,275.28	1,434.69	1,753.50	2,072.32	2,391.14	2,869.37
West Hatch	956.31	1,115.69	1,275.08	1,434.46	1,753.23	2,072.00	2,390.77	2,868.93
West Monkton	959.39	1,119.28	1,279.18	1,439.08	1,758.87	2,078.67	2,398.46	2,878.16
Wiveliscombe	961.04	1,121.21	1,281.38	1,441.56	1,761.90	2,082.25	2,402.59	2,883.11

(* provisional figures)

(** this may be subject to penny rounding adjustments and will be confirmed in the final Tax Report to Full Council on the 24 February 2015)

**APPENDIX
B**

TOWN AND PARISH COUNCIL PRECEPTS

Parish/Town Council	2014/15			2015/16			Council Tax Increase
	Tax Base	Precept Levied	Council Tax Band D	Tax Base	Precept Levied	Council Tax Band D	
	£	£	£	£	£	£	
Ash Priors	77.15	-	-	80.62	-	-	0.00%
Ashbrittle	91.49	1,800	19.67	91.07	1,905	20.92	6.32%
Bathealton	85.52	500	5.85	86.75	500	5.76	-1.42%
Bishops Hull	1,066.11	21,000	19.70	1,098.26	21,000	19.12	-2.93%
Bishops Lydeard/Cothelstone	1,051.08	32,321	30.75	1,075.15	36,176	33.65	9.42%
Bradford on Tone	285.36	5,500	19.27	284.52	6,250	21.97	13.97%
Burrowbridge	200.22	4,900	24.47	203.92	5,000	24.52	0.19%
Cheddon Fitzpaine	612.72	13,900	22.69	611.88	13,874	22.67	-0.05%
Chipstable	130.11	2,223	17.09	127.21	2,350	18.47	8.12%
Churchstanton	348.93	8,681	24.88	353.59	8,974	25.38	2.01%
Combe Florey	120.42	2,250	18.68	119.75	2,500	20.88	11.73%
Comeytrowe	1,955.60	23,154	11.84	1,955.48	23,153	11.84	0.00%

Corfe	132.54	1,500	11.32	128.91	2,000	15.51	37.09%
Cotford St Luke	764.65	16,065	21.01	755.37	16,626	22.01	4.76%
Creech St Michael	952.22	26,948	28.30	957.82	29,111	30.39	7.40%
Durston	58.89	600	10.19	58.23	600	10.30	1.13%
Fitzhead	116.15	2,844	24.49	116.86	2,995	25.63	4.67%
Halse	139.93	2,000	14.29	143.01	2,000	13.99	-2.15%
Hatch Beauchamp	252.87	4,000	15.82	257.15	4,000	15.56	-1.66%
Kingston St Mary	425.85	5,508	12.93	428.70	5,508	12.85	-0.66%
Langford Budville	228.27	4,500	19.71	228.61	4,500	19.68	-0.15%
Lydeard St Lawrence/Tolland	204.14	3,938	19.29	207.41	3,995	19.26	-0.15%
Milverton	569.28	14,000	24.59	574.56	14,000	24.37	-0.92%
Neroche	245.73	4,484	18.25	237.51	4,446	18.72	2.58%
North Curry	692.49	15,342	22.15	706.54	16,469	23.31	5.21%
Norton Fitzwarren	904.74	25,122	27.77	946.60	25,292	26.72	-3.78%
Nynehead	162.35	4,250	26.18	165.76	3,200	19.31	-26.25%
Oake	320.09	5,000	15.62	322.36	5,000	15.51	-0.70%
Otterford	168.69	-	-	166.18	-	-	0.00%

Pitminster	451.84	8,899	19.70	459.77	8,400	18.27	-7.24%
Ruishton/Thornfalcon	576.15	14,000	24.30	577.61	14,000	24.24	-0.25%
Sampford Arundel	124.91	4,800	38.43	123.72	4,800	38.80	0.96%
Staplegrove	743.74	11,800	15.87	788.65	9,500	12.05	-24.08%
Stawley	133.37	2,400	18.00	139.56	2,400	17.20	-4.44%
Stoke St Gregory	352.08	9,000	25.56	355.72	9,600	26.99	5.58%
Stoke St Mary	198.81	3,236	16.28	199.43	3,236	16.23	-0.31%
Taunton	14,206.18	42,292	2.98	14,395.62	42,900	2.98	0.00%
Trull	994.65	18,000	18.10	1,004.56	22,000	21.90	21.02%
Wellington	4,355.37	108,666	24.95	4,482.33	122,816	27.40	9.82%
Wellington Without	292.04	5,640	19.31	300.18	6,000	19.99	3.50%
West Bagborough	163.53	2,500	15.29	157.40	3,500	22.24	45.45%
West Buckland	419.36	7,483	17.84	416.48	7,428	17.84	-0.05%
West Hatch	135.80	2,330	17.16	132.29	2,330	17.61	2.65%
West Monkton	1,105.07	27,379	24.78	1,276.68	28,379	22.23	-10.28%
Wiveliscombe	1,046.48	25,000	23.89	1,048.77	25,910	24.71	3.41%
Totals	37,662.97	545,755	14.49	38,348.55	574,623	14.98	3.41%

Usual Declarations of Interest by Councillors

Executive

- **Member of Somerset County Council – Councillor Hunt**
- **Employee of the Department of Work and Pensions – Councillor Mrs Herbert**



Taunton Deane Borough Council

Executive 11 March 2015

Discretionary Reduction in Council Tax Liability Policy and Discretionary Housing Payment Policy

Report of the Principal Benefits Officer

(This matter is the responsibility of the Executive Councillor Vivienne Stock-Williams)

Executive Summary

The purpose of this report is to outline the Council's approach to awarding Discretionary Housing Payments (DHPs) and Discretionary Reductions in Council Tax liability and to seek Member support on revising our policies from 1 April 2015.

1. Background

- 1.1. Powers granted under Section 13A of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), allow the billing authority to reduce the Council Tax payable either for specific classes of cases, as determined by the billing authority, or for individual cases. The billing authority has the power to either reduce or cancel the Council Tax payable. The intent behind this legislation was to allow billing authorities to create local discounts or exemptions to cater for local circumstances, for example flooding.
- 1.2. We have had a policy for Discretionary Reductions in Council Tax liability for some time. However, a decision by the Valuation Tribunal for England arising from an appeal against East Riding of Yorkshire Council's decision to refuse a discretionary reduction¹ means it is prudent to review and revise our policy accordingly.
- 1.3. Discretionary Housing Payments offer claimants of Housing Benefit (HB) and Universal Credit (UC), further financial assistance where the Local Authority considers that help with housing costs is needed.
- 1.4. The Department for Work and Pensions (DWP) provides us with a specified Discretionary Housing Payments (DHP) allocation that varies each year as it is partly based on our previous DHP spending. We must return any unspent funding to the DWP. During the financial year, we can only award Discretionary Housing Payments up to a cash limit of two and a half times this annual grant. Any spending we make above the allocation and up to the legal limit has to be funded by us from our budget (and so in turn from our council tax payers). DHPs are not payments of benefit, and we have discretion in how we manage this funding.

- 1.5. This report was considered by the Community Scrutiny Committee on 3 February 2015. The Community Scrutiny Committee recommended that the Executive approve the revised Discretionary Reduction in Council Tax Liability Policy ([Appendix 1](#)) and the revised Discretionary Housing Payment Policy ([Appendix 2](#)). Information on discretionary awards in 2014/15 is included in [Appendix 3](#) as well as a summary on policy revisions at [Appendix 4](#).

2. Discretionary Reduction in Council Tax Liability

- 2.1. Members of the Executive considered and recommended acceptance of our procedures to award discretionary discounts for Council Tax to Full Council in November 2005.
- 2.2. The Local Government Act 2012 inserted a new section 13A in the Local Government Finance Act 1992, creating two discounts:
 - Local Council Tax Support schemes under 13A(1) (a) and (b); and
 - 13A (1) (c) which is effectively the original 13A discounts that we can use to increase reductions already given under our Local Council Tax Support schemes.
- 2.3. The implications under 13A(1) (a) and (b) were considered and agreed by Full Council on deciding the Local Council Tax Support scheme to replace Council Tax Benefit from 1 April 2013.
- 2.4. In March 2013 as a consequence of the Collection Fund (Council Tax Reductions) (England) Directions 2013 The Executive Portfolio Holder agreed to amendments to our procedures for discretionary discounts for Council Tax liability.
- 2.5. As a consequence of a decision made on 27 May 2014 by the Valuation Tribunal for England (VTE) against East Riding of Yorkshire Council, it has also been necessary to further amend our policy to ensure it complies with the main points detailed in the VTE judgment.
- 2.6. The updated policy at [Appendix 1](#) has been reviewed by Legal Services who have confirmed it is sufficient to address the legal requirements outlined in the VTE's judgment.

3. Discretionary Housing Payments

- 3.1. The regulations covering Discretionary Housing Payments (DHPs) are the Discretionary Financial Assistance Regulations 2001. This legislation gives the Council a very broad discretion. However, we must make decisions in accordance with ordinary principles about good decision making and in particular Local Authorities have a duty to act fairly, reasonable and consistently.
- 3.2. Since April 2013, changes were applied to Housing Benefit meaning that social sector accommodation has a size criteria applied, with any working age household deemed to be under occupying their home, receiving a reduced level of Housing Benefit. As a result of this and other changes, e.g. the Benefit

Cap, the Government increased its DHP funding to Local Authorities in anticipation of greater demand on their budgets.

3.3. The government guidance on DHPs advises that the additional funding is intended to provide:

- Short term, temporary relief to families affected by the benefit cap who may face a variety of challenges which prevent them from being able to move immediately or to help move into more suitable accommodation for their needs.
- For those affected by social sector size criteria that are unlikely to be able to meet the shortfall and for whom moving to a smaller property may be inappropriate.
- Help for customers living in rural areas.
- The funding will also prioritise customers in the following two groups:
 - Disabled people living in significantly adapted accommodation including any adaptations made for disabled children and
 - Foster carers whose housing benefit is reduced because of a bedroom being used by, or kept free for, foster children.
- Additional support to claimants impacted by the changes to Local Housing Allowance

3.4. An award may also be given for a rent deposit or rent in advance, on the basis that a deposit or rent in advance of an existing tenancy is not available.

3.5. In addition, we can award a DHP to assist with lump sum costs associated with a housing need e.g. removal costs.

3.6. There have been several legal challenges on reducing (HB) for working age social sector tenants who are deemed to be under-occupying their property as a consequence of the size criteria (removal of the spare room subsidy). In some of those cases, reference has been made on the availability of DHPs. It is appropriate we review and revise our DHP Policy to reflect the judgements handed down in these cases.

3.7. The Department for Work and Pensions have published a Discretionary Housing Payments Guidance Manual, including a Local Authority Good Practice Guide and we have followed this in formulating our revised DHP policy which is attached at [Appendix 2](#).

3.8. Summary information on Discretionary Discounts for Council Tax and Discretionary Housing Payments is contained in [Appendix 3](#).

4. Finance Comments

4.1. Under the JMASS review for Tier 6, we established a post for a Welfare Reform and DHP Officer. This post is responsible for determining applications for DHPs

and Discretionary Rebates in Council Tax liability, ensuring a consistency of approach. The post will also directly engage with customers and partner organisations to promote take-up.

- 4.2. Any unspent Discretionary Housing Payment Government contribution must be returned.
- 4.3. An amount of £35,000 has been allocated to assist people who have qualified for support under the Council Tax Support Scheme who continue to experience exceptional financial hardship. This cost is borne by the collection fund that is shared among the preceptors. If we spend more than £35,000 on awards of a discount under Section 13A (1) (c), it will be funded entirely at the Council's cost for which there is no budgetary provision. However, the budgetary position in itself, cannot be a factor we can consider when deciding an award under Section 13A (1) (c).
- 4.4. The overall spending on DHPs is cash-limited by the Secretary of State under a Permitted Totals Order. The maximum amount Taunton Deane Borough Council can award in DHPs in 2015/16 is £294,680. The Department for Work & Pensions (DWP) will contribute funding of £117,872 meaning that Taunton Deane Borough Council can supplement DHP funding by up to £176,808 in 2015/16. Any award made over the funding provided by the DWP must be met by Taunton Deane Borough Council's own General Fund Budget.

5. Legal Comments

- 5.1. The implications of not adopting the revised policies could expose the Council to legal challenges in the future.
- 5.2. The legislation requires Taunton Deane Borough Council, as a billing authority, to consider and decide applications for Section 13A (1) (c) reductions.
- 5.3. The legislation governing DHP's is in the Discretionary Financial Assistance Regulations 2001 (S1 001/1167).

6. Links to Corporate Aims

- 6.1. Discretionary Housing Payments and Discretionary Reduction in Council Tax liability are most closely linked with the "Transformed Council" section that details three further objectives that underpin the Council's ability to achieve the Corporate Aims. The three objectives are:
 - Achieving financial sustainability;
 - Transforming services; and
 - Transforming the way we work

7. Environmental and Community Safety Implications

- 7.1. There are no environmental and community safety implications associated with this report.

8. Equalities

8.1. Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for are:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.2. The DHP policy and the Discretionary Reduction in Council Tax Liability policy aim to target help at those in most need and should therefore have a positive effect on groups who may be disadvantaged through income/social economic status, age or disability. The policies will also assist in mitigating the effect for those people identified in the Equality Impact Assessment for our Council Tax Support scheme.

9. Risk Management

9.1. A Risk Matrix has been prepared and is attached at [Appendix 5](#).

10. Partnership Implications

10.1. None associated with this report.

11. Recommendation

11.1. The Executive recommends to Full Council that the revised policies for Discretionary Reduction in Council Tax Liability ([Appendix 1](#)) and Discretionary Housing Payments ([Appendix 2](#)) should apply from 1 April 2015.

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Principal Benefits Officer
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Background papers

¹ [Valuation Tribunal Judgement 2014 - East Riding of Yorkshire Council](#)

Appendix 1



COUNCIL TAX

Council Tax Discretionary Reduction in Liability Policy

Discretionary Reduction in Liability Policy

© Taunton Deane Borough Council 2015
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Revision history

Version number	Date	Summary of changes	Author
V1.0	16/11/2005	Initial creation of document for S13A Reductions	Heather Tiso
V1.1	03/02/2009	Refresh & updating policy	Heather Tiso
V1.2	16/06/2011	Updating policy	Heather Tiso
V1.3	11/09/2012	Inclusion of Council Tax Support provisions	Heather Tiso
V1.4	12/09/2012	Further refinement and updating of policy	Paul Harding
V1.5	22/03/2013	Inclusion of provisions for S.13A(1)(c) as a consequence of the Local Government Act 2012	Heather Tiso
V1.6	20/1/2015	Refresh & updating policy	Mark Antonelli

Approvals

This document has been approved by the following people.

Name	Role
Councillor Vivienne Stock-Williams	Executive Portfolio Holder – Corporate Resources
Councillor Richard Lees	Shadow Portfolio Holder – Corporate Resources

Policy

Background

Under Section 13A of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has the discretionary power to reduce the Council Tax liability where statutory discounts, exemptions and reductions do not apply.

These discretionary awards can be given to:

- Individual Council Taxpayers;
- Groups of Council Taxpayers defined by a common set of circumstances;
- Council Taxpayers within a defined area; or
- To all Council Taxpayers within the Council's area.

The legislation states the following:

.....in any case, may be reduced to such extent or, if the amount has been reduced under S13a 1a (Council Tax Reduction Scheme) such further extent as the billing authority for the area in which the dwelling is situated thinks fit....."

The provision allows the Council the discretion to provide assistance to taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in such circumstances where the Council feels that the level of discount, exemption or reduction is insufficient given the circumstances.

Purpose

This policy has been designed to ensure all Council Taxpayers making an application for relief are treated in a consistent and equitable manner

This policy has been written to:

- Set guidelines for the factors to be considered in determining an application
- Set out the delegated authority to award relief in appropriate circumstances
- Establish an appeals procedure for applicants dissatisfied with a decision
- Safeguard the interests of the local taxpayers to ensure awards of relief are used effectively and economically

Eligibility Guidelines

We will treat each case strictly on its merits and all eligible customers will receive equal and fair treatment. Principles of reasonableness will apply in all cases with the authority deciding each case on relevant merits.

The Revenues and Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise claims for all available state benefits and will reflect this in operating running discretionary reductions in Council Tax liability.

When deciding on whether to grant a discretionary award, the Council will consider each application on its merits.

Any decision made will be without reference to any budgetary considerations notwithstanding the fact that any awards must be balanced against the needs of local taxpayers who will ultimately pay for a reduction in Council Tax income.

Likewise the period of any reduced liability will be considered in conjunction with the circumstances of the Council Taxpayer.

For the purposes of administration, the decision to grant any reduction in Council Tax liability shall be considered within the following categories:

Crisis – Flood, Fire etc.

The Council will consider requests for assistance from Council Taxpayers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable, e.g. due to fire or flooding, where they remain liable to pay Council Tax and for which they have no recourse for compensation nor have any recourse to any statutory exemptions or discounts.

All such requests must be made in writing detailing the exact circumstances of why reduction in the liability is required and specifying when the situation is expected to be resolved.

The Council will consider applications on a case-by-case basis in consultation with other organisations as appropriate. Any reduction will be applied where they remain liable to pay Council Tax and for which they have no recourse for compensation nor

to any statutory exemptions or discounts or where the crisis or event is not covered by any insurance policy.

The Council will not consider requests from taxpayers where Government guidance or policy provides for a reduction in liability in specific circumstances, for example, flood relief schemes.

Exceptional Financial Hardship

In accordance with Section 13A 1a of the Local Government Finance Act 1992, the Council has a Council Tax Support (CTS) Scheme, that provides support, through a discount, to those deemed to be in financial need. The CTS Scheme has been designed to take into account the financial and specific circumstances of individuals through the use of applicable amounts, premiums and income disregards.

Applications will be accepted under this part of the policy for people who have qualified for support under the CTS Scheme, but who are still experiencing severe financial hardship. Other taxpayers may also apply, however the Council would normally expect the taxpayer to apply for Council Tax Reduction in any case.

As part of the process for applying for additional support, all applicants must be willing to undertake all of the following:

- (a) Make a separate application for assistance;
- (b) The taxpayer must satisfy the Council they are not able to meet their full Council Tax liability or part of their liability;
- (c) Provide full details of their income and expenditure;
- (d) The taxpayer is able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability including applications for employment or additional employment, alternative lines of credit, and benefits, Council Tax Support, discounts and exemptions;
- (e) Accept assistance from either the Council or third parties such as the Citizens Advice Bureau (CAB) or similar organisation to enable them to manage their finances more effectively including the termination of non-essential expenditure; renegotiate priority and non-priority debts, provide an income and expenditure statement or Financial Statement and if needed allow the Authority to seek for the claimant by completing a Common Referral Statement
- (f) Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
- (g) The taxpayer has no access to assets that could be realised and used to pay the Council Tax;
- (h) Maximise their income through applying for other welfare benefits, cancellation of non-essential contract and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.
- (i) Work with the Council in identifying potential changes in payment methods and arrangements to assist in alleviating their current circumstances.

The Council will be responsible for assessing applications against this policy and an officer will consider the following factors in applying this policy:

- (a) Current household composition and specific circumstances including disability or caring responsibilities;
- (b) Current financial circumstances
- (c) Determine what action(s) the applicant has taken to alleviate the situation;
- (d) Consider alternative means of support may be available to the applicant by:
 - Re-profiling Council Tax debts or other debts;
 - Applying for a Discretionary Housing Payment for Housing Benefit (where applicable);
 - Maximising other benefits
 - Determining whether in the opinion of the decision maker, the spending priorities of the applicant should be re-arranged

Other Circumstances

The Council will consider requests from Council Taxpayers for a reduction in their liability based on other circumstances, not specifically mentioned within this document. However, the Council must be of the opinion that the circumstances relating to the applications warrant further reduction in their liability for Council Tax having regard to the effect on other Council Taxpayers.

No reduction in liability will be granted where any statutory exemption or discount could be granted.

No reduction in liability will be granted where it would conflict with any resolution, core priority or objective of the Council.

Administration

Duties of the Applicant and the Applicant's Household

A claim for Discretionary Reduction in Council Tax Liability must be in writing and signed by the customer. A letter or signed statement received by the Council's Revenues and Benefits Service will be sufficient if the following conditions are met:

- On request the customer supplies any relevant supporting evidence.
- The Revenues and Benefits Service may ask for any (reasonable) evidence in support of an application. The Revenues and Benefits Service will make such requests in writing. The customer will provide the evidence within one month of our letter, although this can be extended in appropriate circumstances.
- If the customer is unable to or does not provide the evidence, the Council will still consider the application and take into account any other available evidence including that already held.
- The Council's Revenues and Benefits Service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

A person claiming any discretionary reduction in liability must:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances that may be relevant to their on-going claim; and
- Provide the Council with such information as it may require in connection with their claim.

Decision making

Procedure for determining specific classes of reduction in Council Tax Liability

The power to consider and decline applications for the creation of specific classes of reduction is delegated to the Section 151 Officer and the Executive Portfolio holder for Resources.

Where both the Section 151 Officer and the Executive Portfolio holder for Resources decide that consideration should be given to creating a specific class of reduction a recommendation should be made to the Executive. The Executive should have the delegated power to create, amend or cancel any specific class of reduction.

Once a specific class of reduction has been agreed by the Executive, individual applications in respect of that class are to be considered by the Principal or Senior Revenues Officer.

Procedure for determining individual one-off applications for reductions

The power to determine individual one-off applications (i.e. all applications other than those to create a specific class of reduction or for a reduction under a specific class) should be delegated to the Principal or Senior Revenues Officer.

Applications for Discretionary Reduction in Council Tax Liability

For those people who have qualified for support under the CTS Scheme, but who are still experiencing severe financial hardship, initial applications will be considered by the Welfare Reform/DHP Officer adopting the principle outlined in the Discretionary Housing Payment Policy.

A claim for Discretionary Reduction in Council Tax Liability must be in writing and signed by the customer. Where a customer has difficulties in providing a written application we will signpost them where appropriate or arrange an alternative method of claiming.

For those people not qualifying for support under the CTS Scheme, initial applications will be considered by a Senior Revenues Officer.

Officers will consider the following factors in deciding a discretionary reduction in Council Tax liability:

- (a) Current household composition and specific circumstances including disability or caring responsibilities;
- (b) The income and expenses of the customer, their partner and any dependants or other occupants of the customer's home; any savings or capital that might be held by the customer or their family;
- (c) If the customer or anyone in the household has any unusual or unusually large expenses, that make it harder than normal for them to meet their Council Tax liability;
- (d) The indebtedness of the customer and their family;
- (e) The exceptional nature of the customer and their family's circumstances;
- (f) Any action(s) taken by the applicant to alleviate the situation;
- (g) If this is a repeat request for a discretionary reduction in Council Tax liability, what action has the customer taken to alleviate the problem since the last application?
- (h) Alternative means of support may be available to the applicant by:
 - Re-profiling debts;
 - Applying for a Discretionary Housing Payment (where applicable);
 - Maximising other benefits
 - Determining whether in the opinion of the decision maker, the spending priorities of the applicant should be re-arranged

The Senior Revenues Officer or the Welfare Reform/DHP Officer will consider the application within 14 days of receipt of a signed application and all supporting information.

The Senior Revenues Officer or the Welfare Reform/DHP Officer will record their findings, financial implications and initial recommendations and forward these to the Principal Revenues Officer or the Principal Benefits Officer who will make a final recommendation for the Revenues and Benefits Manager.

The Revenues and Benefits Manager will then approve/refuse the application within a further 7 days.

On awarding a Discretionary Reduction in Council Tax Liability we will determine if any ongoing costs are appropriate, review any special arrangements and consider spreading any remaining charge over the remainder of the financial year. We will also acknowledge the customer as a vulnerable person in line with our Vulnerability Policy.

Changes in Circumstances

The Council may revise any discretionary reduction in liability where the applicant's circumstances or situation has changed.

The applicant agrees that he/she must inform the Council immediately either by phone or in writing about any change in their circumstances that might affect their claim under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council.

All changes in circumstances should be notified within 21 days in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended.

The Award and Duration of a Reduction in Liability

Both the amount and duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.

The start date of such a payment and the duration of the payment will be determined by the Council. In any event, the maximum length of the award will not exceed the financial year in which the award is given.

Payment

In line with legislation, an award shall be granted as a reduction in liability of the Council Tax Payer therefore reducing the amount of Council Tax payable.

Reductions in Council Tax Liability Granted in Error or Incorrectly

Where a reduction in liability has been granted incorrectly or in error either due to a failure to provide the correct or accurate information to the Council or some other circumstance, the Council will adjust the Council Taxpayer's account to ensure the correct Council Tax liability is payable.

Notification of a Reduction in Liability

The Council will aim to write to the customer to tell them the outcome of their application within 14 days of receipt. Where an application is unsuccessful, the notification will include the reason for the decision and advise the applicant of their appeal rights.

Fraud

The Council is committed to protecting public funds and ensuring public funds are awarded to people who are rightfully eligible to them.

Any applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Fraud Act 2006.

Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

Publicity

The Council will publicise this policy and will work with all interested parties to achieve this. A copy of this policy will be made available for inspection and will be posted on the Council's web site.

Policy Review

The provision of Discretionary Reduction in Council Tax Liability will be reviewed regularly and updated as appropriate to ensure it remains fit for purpose. A review may take place sooner should there be any significant change in legislation.

Appeals

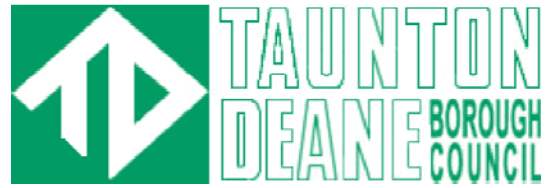
Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.

The Council Taxpayer must in the first instance, write to the Council outlining the reason for their appeal. Once received, the Council will reconsider its decision and notify the taxpayer accordingly.

Where the Council Taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reduction. Full details can be obtained from the Council's website or from the Valuation Tribunal:

<http://www.valuationtribunal.gov.uk/Home.aspx>

Appendix 2



HOUSING BENEFIT

Discretionary Housing Payment Policy

Discretionary Housing Payment Policy

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Revision history

Version number	Date	Summary of changes	Author
V1.0	26/02/2002	Initial creation of document	Heather Tiso
V1.1	22/09/2005	Refresh of policy	Heather Tiso
V1.2	03/02/2009	Refresh & updating policy	Heather Tiso
V1.3	16/06/2011	Updating policy	Heather Tiso
V1.4	11/09/2012	Inclusion of Council Tax Support provisions	Paul Harding
V1.5	12/09/2012	Further refinement and updating of policy	Heather Tiso
V1.6	20/1/2015	Removal of Council Tax Support provisions for inclusion in a separate policy and refresh & updating DHP policy	Mark Antonelli

Approvals

This document has been approved by the following people.

Name	Role
Councillor Vivienne Stock-Williams	Executive Portfolio Holder – Corporate Resources
Councillor Richard Lees	Shadow Portfolio Holder – Corporate Resources

Policy

Background

From 2 July 2001, exceptional circumstances and hardship payments were abolished and replaced by the Discretionary Housing Payment (DHP) scheme. This gave Local Authorities new powers to top up Housing Benefit.

The legislation governing DHPs can be found in the Discretionary Financial Assistance Regulations 2001 (SI 2001/1167).

The DHP scheme provides discretionary support for shortfalls between eligible rental liability and Housing Benefit/Universal Credit and help towards housing costs. Housing costs can be interpreted more widely to include rent in advance, deposits or other lump sum costs associated with a housing need such as removal costs.

The overall spending on DHPs is cash-limited by the Secretary of State under a Permitted Totals Order.

The main features of the DHP scheme are:

- The scheme is discretionary - a claimant does not have a statutory right to a payment;
- The Revenues & Benefits Service decides how the scheme is administered;
- The overall outlay on DHPs is cash-limited by the Secretary of State;
- DHPs are not a payment of Housing Benefit. However, the claimant must be entitled to at least the minimum payment of Housing Benefit/Universal Credit in the benefit week for which it awards a DHP;
- DHPs should be seen as an emergency fund. They are not and should not be considered as a way round any current or future entitlement restrictions set out under Housing Benefit/Universal Credit legislation;
- DHPs cannot be used to offset overpayment recovery or to cover ineligible service charges

The Department for Work and Pensions provides us with a specified Discretionary Housing Payments allocation that can vary each year as it is partly based upon our previous Discretionary Housing Payments spending.

We must return any unspent funding to the Department for Work and Pensions. During the year in question, we can only award Discretionary Housing Payments up to a cash limit of two and a half times this annual allocation. Any spending we make above the allocation and up to the legal limit has to be funded by us from our budget (and so in turn from our Council Tax payers).

Purpose

This policy has been designed to ensure all people making an application for a DHP are treated in a consistent and equitable manner. This policy has been written to:

- Set guidelines for the factors to be considered in determining an application
- Set out the delegated authority to award a DHP in appropriate circumstances
- Establish an appeals procedure for applicants dissatisfied with a decision
- Safeguard the interests of the local taxpayers to ensure DHP awards are used effectively and economically
- Specify how the Revenues & Benefits Service will manage the DHP scheme and to suggest some of the factors we will consider when deciding to award additional help.

We will treat each case strictly on its merits and all eligible customers will receive equal and fair treatment. Principles of reasonableness will apply in all cases with the Council deciding each case on relevant merits.

The Revenues & Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise claims for all available state benefits and will reflect this in running the DHP scheme.

The Revenues & Benefits Service is committed to the equitable operation of the DHP scheme. Where the evidence provided shows the customer is not claiming another state benefit they may be entitled to, we will advise them to make such a claim and provide details of other agencies in the Borough who may be able to help. Similarly, if a customer is not claiming a Council Tax Discount to which they may be entitled we will advise them to firstly make such a claim.

Statement of Objectives

The Revenues & Benefits Service will consider awarding a DHP to all customers who meet the qualifying criteria set out in this policy. We will treat all applications on their individual merits, and will seek through this policy to:

- Alleviate poverty;
- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and by providing a DHP to enable them to “bridge the gap” during this time;
- Support domestic violence victims who are trying to move to a place of safety
- Help people who live near their jobs because they work unsocial hours/split shifts or where there is inadequate public transport;
- Help people who as a consequence of a move have extra travel to work costs;
- Sustain tenancies to prevent homelessness;
- Support vulnerable young people in the transition to adult life;
- Encourage residents to get and keep employment;
- Safeguard residents in their homes;
- Help those who are trying to help themselves;
- Keep families together;
- Assist those with medical or health problems where they need access to medical services or support that would not be available elsewhere
- Act as a tool in supporting vulnerable people in the local community;
- Help customers through personal crises and difficult events.

This list is not exhaustive and we will consider any other relevant factors or special circumstances that may apply.

A DHP can help meet shortfalls in areas such as:

- Restrictions in Housing Benefit entitlement because the rent payable is more than the rent used to work out Housing Benefit/Universal Credit;
- Non dependant deductions;
- Income tapers;
- Increases in essential work related expenditure such as increased fares to work if a customer has had to move because they could not afford to live in proximity to their work following a reduction in their Housing Benefit.

The DHP scheme allows for payments to be made for rent deposits and rent in advance if the claimant receives Housing Benefit for their present home. However, Taunton Deane Borough Council has a Deposit Guarantee Bond Scheme administered by the Housing Options Team. We would seek to utilise this facility in the first instance, with the DHP Scheme complementing this as an alternative option. Any reasons or factors applied by the Housing Options Team in deciding assistance under the Deposit Guarantee Bond Scheme will be taken into consideration in any subsequent DHP request.

A DHP cannot help with the following:

(a) Certain elements of the rent:

- Ineligible service charges as specified in Schedule 1 of the Housing Benefit Regulations 2006 and Schedule 1 of the Housing Benefit (Persons who have attained the qualifying age for pension credit) Regulations 2006
- Increases in rent due to outstanding rent arrears;

(b) Suspensions

- Where a person's Housing Benefit or any other benefit has been suspended, it is not appropriate to pay a DHP. The aim of the suspension provision is to act as a lever to ensure the customer provides necessary information or evidence – paying a DHP could reduce the effectiveness of this lever.

(c) Sanctions

- Where a reduction has been applied to Income Support or income-based Jobseeker's Allowance due to a Reduced Benefit Direction for failing to comply with the Child Support Agency, the claim for a DHP should assume such a sanction has not been applied;
- Where a reduction has been applied because of absence at a work-focussed interview, the claim for a DHP should assume such a sanction has not been applied;
- Any restriction in benefit due to a breach of a Community Service Order

Priority Groups

We will prioritise DHPs for customers who are in our opinion, the most vulnerable. This will particularly include, although not be limited to:

- Claimants who have someone who is pregnant within their household
- Young adults who have recently left the care system
- Households containing adults or children with disabilities
- Households with children under 5 years of age
- Claimants who are carers
- People who are fleeing domestic violence
- The elderly who would find it particularly difficult to move house
- People accepted as homeless under homelessness legislation of the Housing Act 1996 and placed in temporary accommodation by the Council as described in regulation A13(3), because they are homeless or to prevent homelessness
- Customer classified as vulnerable in line with our Vulnerability Policy

Being in one or more of the above groups does not guarantee a DHP award.

For those applying for a DHP on the grounds of exceptional hardship we would expect the customer to demonstrate they have taken steps to try to address their financial difficulties by seeking money / debt advice from the CAB, National Money Advice Helpline or similar organisations.

Fraud

The Council is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim a DHP or DCTA by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect such a fraud may have occurred, the matter will be investigated and this may lead to the instigation of criminal proceedings.

Publicity

The Revenues & Benefits Service will publicise the DHP scheme and will work with all interested parties to achieve this. A copy of this policy will be made available for inspection and will be posted on the Taunton Deane Borough Council web site. Information about the amount spent will not normally be made available except at the end of the financial year.

Monitoring DHP expenditure

The Revenues & Benefits Service will extract reports from the DHP software on a monthly basis to ensure expenditure is within budget and is correctly profiled to ensure no overspend at the end of the financial year.

Administration

Conditions that must be met

A claim for a DHP must be in writing and signed by the customer. A letter or signed statement received by the Council's Revenues and Benefits Service will be sufficient if the following conditions are met:

- On request the customer supplies any relevant supporting evidence.
- The Revenues & Benefits Service may ask for any (reasonable) evidence in support of an application for a DHP. The Revenues & Benefits Service will make such requests in writing. The customer will provide the evidence within one month of our letter, although we will extend this in appropriate circumstances.
- If the customer is unable to or does not provide the evidence, we will still consider the application and take into account any other available evidence including that which we already hold.
- The Revenues & Benefits Service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

In considering an award for a DHP, the following criteria must be met:

1. The claimant is entitled to Housing Benefit/Universal Credit
2. The payment is for costs that are potentially eligible for Housing Benefit/Universal Credit
3. The sum of a DHP and the benefit does not exceed the overall liability (except for lump sum awards)
4. A DHP is not used to plug an income gap caused by sanction or suspension to Social Security Benefits

Customer Responsibilities

A person claiming a DHP must be willing to undertake **all** of the following:

- (a) Provide the Council with such information as it may require to make a decision;
- (b) Tell the Council of any changes in circumstances that may be relevant to their on-going claim; and
- (c) Satisfy the Council they are not able to meet their eligible housing costs;
- (d) Accept assistance from either the Council or third parties such as the Citizens Advice Bureau (CAB) or similar organisation to enable them to manage their finances more effectively including the termination of non-essential expenditure; renegotiate priority and non-priority debts, provide an income and expenditure statement or Financial Statement and if needed allow the Authority to seek for the claimant by completing a Common Referral Statement
- (e) Work with the Council in identifying potential changes in payment methods and arrangements to assist in alleviating their current circumstances;
- (f) Demonstrate they have taken all reasonable steps to meet their rental liability including applications for employment or additional employment, or alternative lines of credit;
- (g) Have no access to assets that could be realised and used to pay housing costs;
- (h) Maximise their income through applying for other welfare benefits, cancellation of non-essential contract and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.

Awarding a DHP

The Council will be responsible for assessing applications against this policy and an officer will consider the following factors in applying this policy:

1. Current household composition and specific circumstances including disability or caring responsibilities;
2. Current financial circumstances and customers living in remote and isolated communities
3. Determine what action(s) the applicant has taken to alleviate the situation;
4. Consider alternative means of support may be available to the applicant by:
 - Re-profiling debts;
 - Applying for Discretionary Reduction in Council Tax Liability (where applicable);
 - Maximising other benefits
 - Determining whether in the opinion of the decision maker, the spending priorities of the applicant should be re-arranged
 - Determining what steps the customer plans to take in preparation for when the discretionary award ends

In deciding whether to award a DHP, the Revenues & Benefits Service will consider:

- The shortfall between Housing Benefit/Universal Credit and the housing costs;
- If there is a real risk of eviction because of the shortfall, or will the landlord accept a reduced payment?
- The age of the customer
- The locality of the property and the demographic nature for rural communities
- Any steps taken by the customer to reduce their housing costs;
- The financial and medical circumstances of the customer, their partner and any dependants and any other occupants of the customer's home;
- The income and expenses of the customer, their partner and any dependants or other occupants of the customer's home; ; (ignoring DLA Mobility component or PIP Mobility supplement)
- Any savings or capital that might be held by the customer or their family;
- If the customer or anyone in the household has any unusual or unusually large expenses, that make it harder than normal for them to meet the shortfall?
- The indebtedness of the customer and their family;
- The exceptional nature of the customer and their family's circumstances;
- The amount available in the DHP budget at the time of the application (in accordance with the Permitted Totals Order);
- If this is a repeat request for a DHP? If so what action has the customer taken to alleviate the problem since the last application?
- The possible impact on the Council of not making such an award, for example the pressure on priority homeless accommodation;
- Any other special circumstances brought to the attention of the Revenues & Benefits Service.

The Revenues & Benefits Service will decide how much to award based on all the circumstances. This may be an amount below the difference between the housing costs and the Housing Benefit/Universal Credit award.

Granting a DHP does not guarantee or imply a further award even if the customer's circumstances do not change.

To ensure a consistent approach when determining a discretionary award the Authority will also follow guidelines as advised by "The Office of National Statistics". We have also consulted with a range of local partners to identify agreed levels of notional household spending that are as follows:

The Authority will allow expenditure for		2014/15	2015/16
Fuel, power, insurances	To include electricity, gas, oil, building and contents cover	£10.54	£12.50
Food and household	To include food, toiletries, laundry, clothing, footwear, pet food, nappies	£29.28	£30.00
Health	Dentist, glasses and prescriptions	£0.83	£1.00
Transport	Car tax, MOT, fuel, insurance, bus fares, taxis	£11.75	£12.00
Communication	Mobile phone, internet, landline, TV licence	£4.33	£10.00
Miscellaneous	Repairs, hairdressing, hobbies, leisure,	£12.59	£8.00
		£69.32	£73.50

The Authority will also allow the following expenditure in full:

- Maintenance paid for a child or former partner Actual Expenditure
- Rent liability Actual Expenditure
- Council Tax liability Actual Expenditure
- Water Rates Actual Expenditure
- Court Fines and negotiated financial repayments Actual Expenditure

The trigger point level will be multiplied by the household factor by The Office of National Statistics. These are:

Type of Household Member	Equivalence Value
First adult	1.0
Additional adult	0.5
Child aged: 14 and over	0.5
Child aged: 0-13	0.3
Adult aged under 25 (not set by ONS)	0.8

Taking account of DWP and allowances for adults under 25 we will include a household factor multiplier of 0.80.

For example, if a household is made up of a Couple and the allowable notional expenditure for an item such as food is £20 the household factor would be 1.5 (1.0 plus 0.5) allowing £30 a week for food.

Any expenditure at or below the trigger point for allowable expenditure will be permitted. Any expenditure in excess of the trigger point will not automatically be considered. The applicant will need to prove their level of spending is essential, reasonable and unavoidable. We may also request to see medical letters and supporting bank statements.

The decision maker has the discretion to exceed the trigger point or actual expenditure where it is reasonable to do so.

Period of Award

The Revenues & Benefits Service will decide the length of time to award a DHP from the evidence supplied and the facts known.

The start date of an award will normally be:

- The Monday after we get the written claim for a DHP; or
- The date Housing Benefit (HB) or Universal Credit starts (providing we get the application for the DHP within one month of the decision on the claim for HB whichever is the earlier, or the most appropriate).

We cannot award a DHP for any period outside an existing Housing Benefit period granted under the Housing Benefit statutory scheme. The minimum award of a DHP is one week.

- We will not normally award a DHP for a period over 12 months.

- We will consider any reasonable request for backdating an award of a DHP but will usually limit such consideration to the current financial year

Changes of Circumstances

The Revenues & Benefits Service may need to revise an award of a DHP where the customer's circumstances have materially changed. Any revision to the award will take effect from the Monday following the date of change in circumstances.

Method of Payment

The Revenues & Benefits Service will decide the most suitable person to pay based on the circumstances of each case. This could include paying:

- The customer;
- Their partner;
- An appointee;
- Their landlord (or an agent of the landlord); or
- Any third party to whom it might be most suitable to pay.

The Revenues & Benefits Service will pay a DHP by the most suitable means available in each case. This could include payment by direct credit to a bank or building society account or by crediting the customer's rent account.

The payment frequency will be advised at the time of the award.

Notification

The Revenues & Benefits Service will aim to write to the customer to tell them the outcome of their claim within 14 days of receipt. Where the claim is unsuccessful, we will set out the reasons and explain their appeal rights. Where the claim is successful, the Revenues & Benefits Service will advise:

- The weekly amount of DHP;
- If it is paid in advance or in arrears;
- The period of the award;
- How, when and to whom (for DHP only) it will pay the award;
- The need to report a change in circumstances;

Overpayments

The Revenues and Benefits Service can recover a DHP if we decide the payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. We may also recover DHPs if we decide the customer received the DHP as a result of an error made when the application was determined.

We will not recover DHPs from ongoing HB or UC. This is unlike HB overpayments where there is a regulatory provision to allow recovery from ongoing HB.

There is also no provision for recovery of overpaid DHPs from other prescribed benefits.

The only method of recovery if a DHP is overpaid is to request repayment of the debt from the customer. This may be in the form of an invoice or using debt collection agencies or via the courts.

Reviews of DHP Decisions

The right to seek a review

DHPs are not payments of Housing Benefit. Therefore they are not subject to the statutory appeals mechanism. The Revenues & Benefits Service will use the following policy for dealing with appeals about a:

- Refusal to award a DHP; or
- Decision to award a reduced amount of DHP; or
- Decision not to backdate a DHP; or
- Decision there has been an overpayment of a DHP.

A customer (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. The Revenues & Benefits Service must receive a request for a review within one month of the issue of the written decision about the DHP to the customer. Where this has not already been done, officers from the Revenues & Benefits Service will explain the DHP decision to the customer by telephone, at interview or in writing and will seek to resolve the matter.

Where agreement cannot be reached, the Revenues & Benefits Appeals Officer will consider the case in consultation with the Revenues & Benefits Manager. A review will be conducted on all the evidence held and a decision made within 14 days of referral or as soon as practicable.

Where the Appeals Officer decides not to revise the original decision, they will tell the customer in writing, setting out the reasons for their decision.

The decision is final and binding and may only be challenged through judicial review or by complaint to the Local Government Ombudsman.

Appendix 3

Summary of spending and Statistical information for 2014/15

- The Permitted Total for Discretionary Housing Payment (DHP) awards in 2014/15 is £331,398.
- The DWP have contributed funding of £132,559 for DHPs in 2014/15.
- Expenditure on DHPs to 10 February 2015 was £116,144.97.
- We have awarded 177 DHPs to tenants of Registered Social Landlords and for tenants in privately rented accommodation
- We have awarded 79 DHPs for tenants in Council accommodation
- Breakdown of DHP expenditure
 - £79,142.65 for tenants of Registered Social Landlords and for tenants in privately rented accommodation
 - £37,002.32 for tenants in Council accommodation
- We have refused 58 claims for either a DHP or a Discretionary Reduction in Council Tax Liability.
- We have applied Discretionary Reductions in Council Tax Liability to 170 Council Tax accounts with a total reduction across those accounts of £24,429.21

Appendix 4

Summary of Policy changes

- The appointment of a specific Discretionary Payments and Welfare Reform Officer to oversee all applications
- Updating the threshold figures for spending in 2015/16 following funding arrangements from The Department for Work and Pensions
- To ensure a level of consistency we have included guidelines on spending from The Office of National Statistics. We have also used trigger points taking account of the number of residents within a property to work out appropriate notional level of weekly spending
- A revision of the notional allowable spending calculation to account to uprating for 2015/16
- Consultation on the policy with several of our key partners
- Minor amendments to provide a more robust policy ensuring consistency and to apply appropriate tests to ensure we treat each case on its own merits

Risk Matrix

Risk	Consequence of risk	Assessment of risk			Mitigation
		Likelihood	Impact	Score (L x I)	
Claims for discretionary awards exceed finance available.	<ul style="list-style-type: none"> Inability to assist people in rented accommodation over and above HB awards leading to increased homelessness. For Council Tax, collection losses will be shared between all preceptors and will require future savings or cuts to mitigate. 	3	4	12	<ul style="list-style-type: none"> Regular monitoring of use and effectiveness of DHP and continued emphasis on homeless prevention activities Flexible policy that can be reviewed readily
Caseload increases (e.g. major employer loss) and/or total value of awards exceeds estimates	<ul style="list-style-type: none"> Financial shortfall Additional workload 	3	3	9	<ul style="list-style-type: none"> Regular on-going review
Changes to future Government grant	<ul style="list-style-type: none"> Financial shortfall 	3	3	9	<ul style="list-style-type: none"> None
Wider welfare reforms (HB reductions, Universal Credit) cause additional hardship	<ul style="list-style-type: none"> Financial shortfall Additional workload 	3	3	9	<ul style="list-style-type: none"> Ensure adherence to Permitted Total Order Maximise take-up of all available discounts/exemptions/ other Welfare Benefits Strict adherence to monthly monitoring of performance against targets
Expenditure on DHP exceeds Government Grant	<ul style="list-style-type: none"> Financial shortfall 	2	4	8	<ul style="list-style-type: none"> Close monitoring of expenditure and review policy where appropriate

RISK RATING MATRIX						
LIKELIHOOD (A)	Very likely 5	5	10	15	20	25
	Likely 4	4	8	12	16	20
	Feasible 3	3	6	9	12	15
	Slight 2	2	4	6	8	10
	Very unlikely 1	1	2	3	4	5
		Insignificant 1	Minor 2	Significant 3	Major 4	Critical 5
IMPACT (B)						

Likelihood	Severity of Impact	Risk
1. Very unlikely – hasn't occurred before	1. Insignificant (has no effect)	Likelihood x impact
2. Slight (rarely occurs)	2. Minor (little effect)	
3. Feasible (possible, but not common)	3. Significant (may pose a problem)	
4. Likely (has before, will again)	4. Major (will pose a problem)	
5. Very likely (occurs frequently)	5. Critical (Immediate action required)	

Taunton Deane Borough Council

Executive – 11 March 2015

Creation of the Somerset Building Control Partnership

Report of the Assistant Director Operational Delivery – Chris Hall

(This matter is the responsibility of Executive Councillor Mark Edwards)

1 Executive Summary

This report seeks approval to create a Somerset Building Control Partnership as outlined in the appended Business Case, comprising Mendip and Sedgemoor District Councils, Taunton Deane Borough Council and West Somerset Council.

The key benefits of doing so are the ability to control costs and make future savings whilst keeping a more resilient building control service

The service will be hosted by Sedgemoor District Council with employees being transferred to the host (TUPE)

Salary savings are estimated to be in the region of £240k and will be apportioned according to the formula for cost sharing that is to be agreed. There will be one off redundancy costs associated with this structural proposal and these will also be shared in accordance with the formula.

2. Background

2.1 Analysis and research, including advice from Finance Officers, HR managers, Legal Teams and IT managers has now been completed, and a comprehensive business case/plan has been agreed by senior management in each of the four partner Councils:

- Mendip District Council
- Sedgemoor District Council
- Taunton Deane Borough Council and
- West Somerset Council

2.2 North Dorset District Council withdrew from the project in 2014, and South Somerset District Council withdrew earlier in the process.

2.3 Authority will be sought from each of the four Council Executives/Cabinets during the February/March to form the Partnership. The Partnership will be the largest Building Control Partnership in the South of England. There would also be scope to increase membership in the future.

2.4 The Key business reasons for forming the partnership are:

- To secure a sustainable building control Service for the future.
- To reduce costs to each partner Council.
- To improve competitiveness with the private (and public) sector providers of building control services – to win more business and maximise income.
- To increase resilience and customer service levels – a bigger core service team rather than 4 small teams.
- To improve professional development opportunities, to make it easier to attract and retain good quality staff.

2.5 The building control service provided by districts councils is one of the council functions that is in direct competition with the private sector (Approved Inspectors).

2.6 In recent years services have found it more and more difficult to compete with the private sector providers of building control for the 'fee income' from Building Regulations applications. Local authorities also have to carry out other statutory building control responsibilities that the private sector is exempt from, and these do not bring in income to support them.

2.6 The reduction in income to building control services is leaving most individual local authority building control services with a choice between having a very small team with little resilience, or operating the service at a financial loss which must then be subsidised by the General Fund of the authority. This picture is seen across the country and the Government has confirmed that its view is that the most effective way forward to alleviate this is for single local authority building control teams to form partnerships.

2.7 With this in mind four local authorities in Somerset have been working collaboratively with a view to forming a single building control partnership that tackles the issues facing the service, improves delivery for customers and reduces the financial burden on the individual authorities.

2.8 In Devon a successful building control partnership has been running since 2005. Consisting initially of two local authorities (Teignbridge and West Devon), it was then joined by South Hams in 2006 and is currently in discussions with other Devon authorities. This partnership has managed to weather the financial pressures facing building control, kept its service highly effective and resilient, and maintained good market share. This model, along with a similar one in Norfolk where five local authorities operate under the banner of CNC Building Control Partnership, has shown that building control partnerships have long term benefits for councils and the customers they provide services too.

3. The Proposed Partnership

3.1 A comprehensive business case has been developed by the 4 partner organisations having considered:-

- The prevailing economic and competition challenges facing building control.
- The requirement to maintain a resilient and competent service.
- The increasing move to form partnerships to deliver successful building control

services.

- Options for governance of a partnership.
- Comparisons of workloads, application numbers, staffing numbers and income/budgets between the 4 partners.
- The ability to generate significant savings from forming a single business unit, by reducing management posts and staff numbers, and reducing office overheads and other support service charges.
- Creation of a new partnership staffing structure, based on workloads and introducing new and more efficient ways of working.

3.2 The Key business reasons for forming the partnership are:

- To secure a sustainable building control service.
- To reduce costs to each partner Council.
- To improve competitiveness with the private (and public) sector providers of building control services – to win more business and maximise income.
- To increase resilience and customer service levels – a bigger core service team rather than 4 small teams.
- To improve professional development opportunities, to make it easier to attract and retain good quality staff.

3.3 The appended business cases projects a salary saving of £238K between the 4 partners in the first full year of the partnership, but redundancy costs will be incurred as part of the set-up. This scale of saving presents a sound financial business reason for pursuing the project, but significant further savings can be expected from:

- Creation of a single IT system, rather than 4 separate systems.
- Rationalising support service charges from 4 organisations into 1.
- Reducing the need for office space across 4 organisations.
- The reduced head count creates additional savings in terms of computer licences, equipment, travel and other overheads etc.
- Improved systems.
- Improved efficiency and deployment of staff from managing building control as a single team across 4 Districts.
- Expansion of the partnership to include other Councils and other ancillary services in the future to increase income.

3.4 Taunton Deane Borough Council are in the process of joining together the building control service with West Somerset Council as part of the JMASS project, this has the potential to deliver some saving early (1st April '15) but should be seen as removing the equivalent saving potential from this business plan, the same saving cannot be made twice.

3.5 The proposed governance is through a 'joint committee' model as used for the Somerset Waste Partnership and the South West Audit Partnership. This involves pooling budgets and resources into a single service managed by a joint management team with a joint steering committee established under Section 101 of

the Local Government Act 1972. The joint committee will oversee the performance, budgetary control and strategic direction of the partnership with a portfolio holder and senior manager from each partner organisation forming the committee. A detailed inter authority agreement will be agreed between the Councils.

- 3.6 Sedgemoor District Council are proposed to act as the host/administering authority for the Partnership. This means that the staff from the other Councils will transfer to Sedgemoor District Council who will be employing the staff, and progressively, will provide the majority of the support services such as HR, payroll, office space, IT, financial management as part of the SDC accounts, audit, and potentially legal and democratic services.
- 3.7 The total building control fee income across the 4 Councils was £850K in 2013/14, with approximately £200K in charges for statutory work.
- 3.8 There will be an agreed brand for the new partnership, with details to be finalised after consultation with staff.
- 3.9 The proposed launch date for the partnership is 1 July 2015.

4. HR Implications

- 4.1 The HR Implications are set out in more detail in Appendix I of the Business Case, page 54-59.
- 4.2 The report seeks approval for Sedgemoor District Council to act as the host/administering authority for the Building Control Partnership, should approval be given for the Partnership to proceed. The Transfer of Undertakings (Protection of Employment) Regulations 2006 and amendments via the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 will apply to the transfer of staff from their existing authority to the host authority. TUPE Regulations protect the contractual terms and conditions of transferring employees. Each authority has their own Job Evaluation scheme and pay scales, albeit those scales are based on the National Joint Council pay structures. The host authority will inherit staff from across the partners on varying terms and conditions and it is not possible to change employees' terms and conditions as a result of the transfer itself. It is possible to offer transferring employees the option of taking up a Sedgemoor contract of employment and this will be offered to all transferring staff.
- 4.3 The report identifies that at some point in the future, and unrelated to the transfer itself, the host authority (SDC) would seek to harmonise terms and conditions. There is no plan to do this in the near future and indeed it is not permitted to do so within one year of the transfer under the Collective Redundancies and TUPE (Amendment) 2014 Amendment Regulations.
- 4.4 The proposed structure of the Partnership is based on an establishment of 16 full-time equivalent staff, which will lead to potential redundancies as the new structure is populated. The aggressive market conditions and declining market share support the argument that there are economic, technical and organisational (ETO) grounds for a reduced establishment. Under the TUPE Regulations 2006 the only grounds

for making posts redundant as opposed to transferring under TUPE are those where an ETO reason can be justified. The partners have made temporary arrangements for some time now to cover vacancies as they arise so as to mitigate the extent to which redundancies are necessary.

- 4.5 The TUPE Regulations (see 5.1. below) require proper and ongoing information sharing and consultation with unions and staff from the point there are proposals on which to consult through to the TUPE transfer to the host authority. Both incoming and outgoing employers are obliged to consult with affected employees about the transfer and any measures that they intend taking, in accordance with the Regulations and to seek agreement on those measures. UNISON is being consulted formally on the proposals and a first meeting has already been held with UNISON Branch and Regional Representatives. A successful consultation meeting with all affected employees in the 4 authorities was held on 20th January 2015 to present the draft business case and proposals to transfer employees to a host authority under TUPE.

5. Finance Comments

- 5.1 The Building Control Partnership business plan is presented in this report and details the draft financial implications of forming the partnership. At this stage the detailed figures and methodology for allocating the costs has not been finalised, however with the annual salary saving of approximately £240k and the longer term reductions in support services the partnership should provide ongoing savings for all partners. The savings already proposed for both WSC and TDBC as part of the JMASS project will deliver some of these savings earlier for both WSC and TDBC and cannot be accounted for twice. Initially there will be redundancy costs and IT investment which will need to be funded, although these are one off costs so will not impact on the financial viability of the partnership in the future. The representative of the Section 151 Officer will continue to liaise with the financial work stream lead on the detailed finance work and the cost sharing model.

6. Equalities Impact

- 6.1 These implications have been considered as part of the wider business case and HR have been engaged to ensure that equality of opportunity has been provided for our employees.

7. Community Safety Implications

- 7.1 There are no implications as a result of this report.

8. Risk Management

- 8.1 The partnership has been designed to deliver statutory and fee earning services on behalf all partners, the level of income from these services fluctuates but there is a history in Taunton Deane of failing to meet with the income expectations and therefore operating at a greater cost to the Council.

- 8.2 If Taunton Deane Borough Council do not introduce a big change to the way they deliver the building control function there is a risk that further employee reductions will be needed and that the service will be placed in a position of unsustainability and unable to deliver its statutory responsibilities.
- 8.3 There is a risk that employees who are not included in the new structure could set up under the Approved Inspectors scheme and end up competing for the same work as the Council's building control service, adding to this Council's income challenges.
- 8.4 A comprehensive risk log is included within part 7 of the appended Business Case, pages 28-30.
- 8.5 The prime area of risk for this Council would be if the fee income reduced dramatically. However, the inter-authority agreement and joint committee will mitigate this risk, because partner Council's would retain shared responsibilities for the financial viability and future success of the partnership. The management team would be tasked with reducing costs to match any reduced income position, together with marketing the service to gain new business. Support service costs/recharges for setting up the partnership and providing additional support to develop it, will ensure the new business unit pays for enhanced investment of officer time in the first 2- 3 years

9. Links to Corporate Aims

- 9.1 The formation of partnerships to deliver shared services and create efficiencies is in compliance with national priorities.
- 9.2 A resilient, cost-effective and local building control service is essential to support the local economy, developers and the building trade and helps to secure safe and high quality developments. The emergency call-out rota for dangerous structures is an important part of the Council's 'out of hours' service provision.

10. Partnership Implications

- 10.1 If approved this would see the creation of a new partnership without any impacts on existing partnerships.

11. Asset Management Implications

- 11.1 There are no current asset management implications for decision, there is an expectation that the new partnership will work more remotely from each individual Council office freeing up of accommodation can be expected as a result of this partnership.

12. Environmental Implications

- 12.1 There are no adverse environmental implications arising from the proposals.

13. Legal Comments

- 13.1 The attached business case sets out the various legal options for the setting up of a shared building control service. The preferred option is to set up a Joint Committee pursuant to Section 102 of the Local Government Act 1972. The legal section are in the process of drafting the legal agreement with the various Councils. This agreement will include provisions to ensure that this Council's legal interests are adequately protected and that risks are shared amongst the partners.

14. Corporate Scrutiny Comments

- 14.1 The Corporate Scrutiny Committee considered this report on 19th February. There were a number of questions that were answered on the night concerning the following matters:
- Opportunities for trainees under the new structure – It was confirmed that the new structure does make allowances for a trainee and the opportunity to provide some career escalations that the individual Councils have not been able to sustain on their own.
 - ICT matters and data migration – It was clarified that whilst there was a cost noted in the business plan for data migration the scale of this cost when compared to the benefit was too high. It is considered that the service can function without the migration of this data, but should this become unworkable then a separate business case would be needed.
 - Challenge as to why TDBC are not the proposed hosts as we appear to be the biggest single partner – Sedgemoor District Council (SDC) are geographically central to the 4 partners, SDC have a real desire to run Building Control and are putting in the project resources to make this happen, TDBC and WSC were timetabled to be in the middle of the JMASS project back when a host authority was agreed and could not support another partnership of this scale.
 - The challenge the current service faces from external competitiveness – Government changes have mean that any competent person can set up as an Approved Inspector and compete for the same work thus reducing the Local Authorities' market share. A wider partnership with greater resilience, specialisms, and marketing power would help stem the flow of work into the private sector and secure this area of Local Authority spend and income.

- 14.2 The Scrutiny Committee were supportive of the recommendations.

15. Recommendations

Members are recommended to:-

1. Approve the creation of a Somerset Building Control Partnership as outlined in the appended Business Case, and subject to the approval of the other proposed partner Councils.

2. To approve the creation of a 'Joint Committee' to oversee the strategic direction, performance and budget of the partnership.
3. To nominate the Portfolio Holder and Assistant Director (Operational Delivery) to represent the Council on the Joint Committee.
4. To delegate responsibility to the Section 151 Officer, the Monitoring Officer, the Assistant Director (Operational Delivery) and the portfolio holder to finalise legal agreements, partnership budgets and cost/income sharing arrangements, shared redundancy payments and detailed governance arrangements.

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**BUSINESS CASE FOR THE PROVISION OF A JOINT BUILDING CONTROL SERVICE BETWEEN MENDIP DISTRICT COUNCIL, SEDGEMOOR DISTRICT COUNCIL, TAUNTON DEANE BOROUGH COUNCIL & WEST SOMERSET DISTRICT COUNCIL
STAFF CONSULTATION**



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Somerset + Partnership Executive Summary

In June 2013 a project board was set up to explore the possibility of joint working across Building Control teams within Somerset and North Dorset. However, South Somerset District withdrew at an early stage as they could not gain the necessary corporate backing. A strategic business case was developed and accepted by the remaining authorities involved in early 2014. Following on from this a Project Team, formed from the existing service managers, was appointed in June 2014 to develop a detailed business case, which is the basis of this document. On the 10th November 2014 the board was informed that North Dorset District Council would no longer be involved in the project as a corporate decision had been made to pursue whole Council partnership working within Dorset.

Whilst the original brief was to develop a sustainable Building Control Service across the districts served by the partner councils, it soon became obvious that this was a ***'one off' opportunity to radically rethink how the Building Control service could be delivered in the future.***

This document identifies a business which is 'customer focussed' and 'management light', placing the day to day business in the hands of staff allowing them greater responsibility and ownership within the business. In return the new business entity will put staff at the forefront for the future by adopting succession planning and individual development plans which will concentrate on a 'grow your own' culture by investing in Trainees and Modern Apprentices (a practice that has yielded excellent results at MDC)

The recommendations set out in this document can be summarised as follows:

- Develop a joint inter authority unit hosted by one authority to deliver Building Control and related services within the Districts of Mendip, Taunton Deane, Sedgemoor and West Somerset as from 1st July 2015
- Provide the current services and standards of Building Control service from day 1 (i.e. same scope and quality), as a minimum; for detail of the services, see Appendix E.
- Move to a networked (mobile & flexible) structure in pursuance of the above;
- Locate core management and technical support at an agreed location;
- Deploy ICT to a greater extent to facilitate this.
- Develop a strong commercial entity through marketing and branding.

The core reasons for the recommendations are to:

- minimise risk of service failure by establishing a more sustainable and resilient unit with the capability to adapt to service and commercial demands;
- realise future savings, through realignment of back office systems, utilisation of technology and procurement of support services

- continue to improve and develop excellent and effective customer service;
- retain, recruit and develop key frontline service professionals;
- compete better with the private sector, by developing strategies which will maximise future revenues by targeting specific market sectors whilst maintain and increasing market share;

For governance & performance purposes (see also Section 4.1) the report recommends that:

- the partners establish a Joint Committee under s101 of the Local Government Act 1972;
- the Committee comprises representatives from the four partner councils in equal numbers (one elected member and one officer);
- the Committee sets and monitors the financial and service performance of the joint unit and sets targets and priorities for its future development;
- The Committee determines the extent to which any financial surpluses are distributed to the partner authorities.

Because Joint Committees cannot employ staff directly, it is recommended that one of the partner authorities be nominated as the “host” for the joint unit. At this stage only Sedgemoor District Council has expressed an interest in hosting the new business unit.

Prior to commencement of the new entity the new Management Team will be appointed to the host authority. It is also recommended that all staff are offered the option of either transferring under TUPE to the host authority, on existing terms and conditions, on the formation of the new entity or taking the remuneration package on offer by the host authority. Over time the host authority will look to realign job descriptions and terms and conditions, as long as the reason for this is not in any way related to the TUPE transfer.

Retaining the loyalty & commitment of Building Control staff will be an essential element in making the joint unit a success. It is for these reasons that once the new business is financially stable we would recommend that staff remuneration in the new unit is reviewed to ensure that;

- Remuneration competes sufficiently with the market to recruit and retain staff
- Through consultation and negotiation with staff the aim of achieving harmonisation in staff terms and conditions is addressed at some point

However, for the purposes of this report we have taken the current generic job roles and applied ‘top of scale’ of the current highest paying authority to give a conservative estimate of achievable savings for the project.

The host authority, in addition to employing staff, will initially act as, the contracting and accountable body for the joint unit, and will provide a number of support services (HR,

finance, legal, IT), for which the unit would make payment.

1. Introduction: Joint Building Control Service Project

- 1.1 This report sets out the case for the amalgamation of the four Somerset Building Control units into one service.
- 1.2 It is a 'gateway report' for approval and recommendation to proceed by the proposed partnership authorities
- 1.3 The Building Control service is subject to increasing pressures from both internal and external drivers of change within the building control sector, and wider local government environments. This has created a challenge to the viability of the current strategies used, and systems adopted.
- 1.4 The Project Team hold the collective view that the pressure for change and its impact on key service resources and capabilities is overwhelming. We consider that if strategic actions are not taken in the short to medium term, the authorities may find themselves in a position of service failure, additional expenditure, and further reduced revenues.
- 1.5 This report outlines a proactive response to these drivers, setting out why a new structural form is required, and how this will safeguard strategic capability whilst allowing the development of service which is resilient to future strategic challenges.
- 1.6 The Project Team has made extensive use of good practice developed by other building control partnerships (actual and potential). Appendix D
- 1.7 It is considered that the analysis and design undertaken by the Joint Building Control Service project and the financial figures presented in this document are of good quality.
- 1.8 The report is split into the following key sections, namely;
 - Section 2 – Drivers of change
 - Section 3 – Stakeholder analysis and expectations
 - Section 4 – Service Governance and Organisation Structure
 - Section 5 – Financial Appraisal
 - Section 6 – Implementation plan
 - Section 7 – Risk register

2 Drivers of change: the Building Control environment(s)

- 2.1 Extensive work has looked at the nature and effect of the key internal and external drivers for change and their relevance to the key service resources and capabilities.
- 2.2 The list of these drivers, their scope and impact is shown in the table below.

Context	Name	Effect
Internal	General efficiencies	Sharper focus required from all services in the delivery of cost efficiencies, whilst maintaining service needs and standards required by customers. The increased need to move resources away from management and support into front line service delivery.
	Changing role of Local Government	Moving from service provision to one of service facilitation and monitoring. Becoming more of a broker for community governance, and the provision of purely 'core' services. Building control provide a quasi-public service which is already open to free market competition.
	Transformational & E Gov agenda(s)	Requiring services to reappraise the electronic systems and resources used in service delivery and how these can be further leveraged for customer and cost advantage. The 'more for less' scenario, using ICT as the integrating capability. Allowing greater flexibility in work life issues, home working etc.
	Workforce demographics	The profession is an ageing one with few Councils employing trainees, assistants etc. Units are increasingly drawing on retired personnel to assist at times of shortage. The increasing pressure on the 'middle ground' professional is being witnessed by higher staff turnover rates, leading to competition between authorities and with the private sector.
External	Approved Inspectors	Pressure increasingly being felt from Approved Inspectors (private service providers) across all markets and for all key resources. Additionally, as privateers they can choose the market sectors to service, or not. This has the effect of making council provision 'the provision of last resort' as we cannot chose what customers to service. Again, surveyors have cited 'lack of variety' as a reason for moving
	Labour market dynamics	As noted, there is an increasing supply shortage of good quality staff. The lack of funding for trainees etc. is further exacerbating this. Many AIs are actively targeting the 'middle order' staff, as they are not as financially tied to Local Government via pensions etc. Many council's are now finding themselves in competition with each other for staff, with a knock on effect in the remuneration packages offered.
	Economic activity	Due to the length of the recession and downturn in the construction industry, income from fees has fallen, and increased the strength of competition from AIs. This in turn has driven down the prices AI's charge, undercutting local authority fees. This has an impact on the current and future viability of the service insofar as merging into one would give a 'critical mass' better equipped to deal with variances in workload and resources required.

3. Stakeholder analysis and service expectations

- 3.1 Work was also undertaken on establishing the identity and basis of each stakeholder interest in the service and what (if any) effect there would be by moving to a unified structure.
- 3.2 The project board saw the needs analysis as the starting point for defining the criteria against which judgements about success could be made. In that context ‘success’ itself begged a definition and again the collective view was that the services ***‘ability to provide a sustainable and competitive Building Control Service, which enables all sectors of the community access to highly skilled professional staff’*** was the overarching reason for strategic change.
- 3.3 Appendix A – “Stakeholder needs analysis for unified service” table shows this in more detail.

4. Service Governance and Organisation Structure

- 4.1 Service governance and delivery options

Joint Delivery Operating Model	Evaluation Conclusion
<p>Do Nothing</p> <p>Continue with current as-is organisation structures with informal collaboration and information sharing where appropriate.</p>	<p>Some authorities have already adopted this model, with the management working closely together to share knowledge, and assist each other where / when possible.</p> <p>Does not provide mandate to share resource and work across district boundaries. Does not address capacity and resilience issues.</p>

<p>Provision of Minimum Statutory Service</p> <p>Continue with current as-is organisation structures.</p>	<p>The continued downturn in the economy has led to a reduction in applications to the majority of authorities leading to lower fee income.</p> <p>Private providers are increasingly targeting low value projects, which have traditionally been the mainstay of LA work.</p> <p>The inability to offer market rate salaries has meant that staff are moving to the private sector.</p> <p>These factors amongst others will mean that Building Control will become unsustainable.</p> <p>All costs associated with this service will need to be met by the authorities as no contribution from a fee earning account.</p>
<p>Lead Authority</p> <p>One authority manages delivery on behalf of the other local authority. The relationship and service levels are set out in a legal contract with Service Level Agreements (SLA's).</p> <p>Staff TUPE into the lead authority (although could be seconded).</p> <p>Standard processes and systems, consistency in service and customer experience, and builds capacity.</p>	<p>It brings together the service into a single management entity under a unified management team.</p> <p>It avoids building alternative support services arrangements (e.g. for ICT, Finance and HR)</p> <p>However:</p> <ul style="list-style-type: none"> • No one authority is currently performing at a higher level than the others. • May engender ill feeling or loss of control by the delegating authority (viewed as a takeover rather than a merger). • Tends to work best where there is a failing authority /service that require an immediate turn around, which is not the case with the partners involved • Perceived loss of focus and accountability of a local service by customers as it is now being delivered by another Council

<p>Joint Committee</p> <p>This involves pooling budgets and resources into a single service under one management team with a joint steering committee established under Section 101 of the Local Government Act 1972.</p> <p>The Joint Committee comprises representatives from the partner councils in equal numbers.</p> <p>The Committee performance manage the joint unit (in terms of both finance and quality), sets targets and reviews for its future development, and also determines the extent to which any financial surpluses are distributed to the partner authorities or retained for reinvestment</p> <p>Standard processes, systems and consistency in service / customer experience.</p>	<p>Retains public sector ethos and public accountability. Authorities are equally represented and retain control through Joint Committee.</p> <p>Brings the service into a unified management structure.</p> <p>All staff employed via an agreed host.</p> <p>Ability to share and reduce support costs.</p> <p>Eliminates artificial geographical boundaries improving work management, building capacity and resilience.</p> <p>Platform for standardising / improving processes, common systems and practices.</p> <p>Enables consistency for customer experience.</p> <p>Cannot employ in its own right and may limit ability to trade in new services.</p>
<p>External service provider</p> <p>Service delivery is provided through establishing and /or contracting to a private sector service provider. Typically a long term relationship where many of the existing employees (through TUPE) and assets transfer to the service provider.</p>	<p>Some of the Statutory Functions cannot be delegated to the private sector. So expertise/staff need to be retained to cover these.</p> <p>Whilst there are examples of providers such as Capita or taking on the role, this has generally been as part of a package with the Planning function.</p> <p>It should be noted that prior to becoming a Unitary Authority, one of the Cornwall councils contracted BC to an external provider which resulted in such a dramatic reduction in service delivery and customer satisfaction that the contract was terminated after a 6 month period.</p>

In developing this proposal, we have considered various options, in detail, for the way in which Building Control services could be provided in future. A summary of which is shown below.

Governance

The Partnership Board has considered all the possible governance options and accepted that the Joint Committee structure represented the best option at this time because:

- (a) it offered benefits of scale that could not be achieved individually; and
- (b) it provided all authorities with a greater assurance that they would retain control over the service than would be likely under a Lead Authority.

Delivery structure under a Joint Committee

This then leaves the different delivery options. Each has potential advantages and disadvantages:

	Advantages	Disadvantages
In house provision	Continued flexibility Staff most comfortable with this option Surpluses are retained by the authorities Maximises democratic accountability	May be perceived as less commercial
Local Authority Company	Looks novel/exciting Would enable the provision of a wider range of services (but none are currently intended)	Major potential procurement issue (it is likely that authorities could not award LA Co with contracts for the provision of services without following the EU Procurement process which would be time consuming and expensive) Some additional costs (eg Finance function) Much more complex to establish (legal and regulatory issues) Potential conflict for Board Members (who are required to act in the best interests of LA Co, not their authorities) Would be perceived by staff as less acceptable Would be more difficult to “unwind” than in-house provision Would require more rigid “contracts” with each of the authorities (rather than SLAs)

Externalised provision	Would transfer more risk	<p>Would need to generate a profit for its owners</p> <p>Private sector providers are not likely to be interested in the bottom end of the market (eg small works at residential properties) or some of the statutory functions</p> <p>Would be difficult to “unwind” if it failed Some of the Statutory Functions cannot be delegated to the private sector. So expertise/staff need to be retained by each authority to cover these.</p> <p>Whilst there are examples of providers such as Capita taking on the role, this has generally been as part of a package with the Planning function.</p> <p>It should be noted that prior to becoming a Unitary Authority, one of the Cornwall councils contracted BC to an external provider which resulted in such a dramatic reduction in service delivery and customer satisfaction that the contract was terminated after a 6 month period.</p>
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Having considered the above, we have concluded that externalising the service is definitely not desirable (even if feasible); and establishing a Local Authority Company is also not desirable (but is an option for the future) - as there are ***no significant advantages, at this time***. If, however, the benefits were to increase (eg there was a pressing demand for Building Control to provide other services) then the LA Co would have more merit.

It is recommended that a joint in-house service managed by a Joint Committee is the best current solution, with each Partner being represented by a Senior Officer and an Elected Member. It is a well used and understood model, not only with regard to other Building Control Partnerships across the country but was also utilised for the South West Audit Partnership, and allows for democratic Member involvement which is important to help develop and champion the business going forward.

Full details of how the model will operate will be laid out in a separate governance agreement

4.2 Organisation Structure and Establishment

The proposed structure is derived from the key aims of the unit and the strategic drivers; in particular, the structure must provide:

- Effective business development.
- Business support which is streamlined, focused, and able to implement change well
- Streamlined management structure which allows highly qualified surveying staff more

responsibility and ownership of the service.

- Career development/specialisation opportunities and a sense of 'home' and identity for the professionals (hence team structure and specialisms).

In support of these proposals the following data was used Process & Systems

The policy and processes supporting the services set out in Section 4.1 - Scope of Activities, will need to be aligned and standardised. For example, the process for registering a building control application and the subsequent checking and approval will need to be aligned. This could be undertaken by having a designated centralised plan vetting team. Future state processes will need to be documented; this provides the opportunity to improve or re-engineer the process, especially if the supporting Building Control application is to be re-implemented.

The management processes associated with work allocation and work scheduling will need complete redesign if work is to be more co-ordinated across district boundaries. Indeed, overall management of the service needs to be consolidated / co-located in one location along with those processes / activities which do not need to be replicated in district offices.

All authorities have developed different ways of working with regards the planning, allocation and management of their respective workloads. Some have team members working in a central office with individuals covering designated areas of their District. In others a Senior BC surveyor actively plans the optimal allocation of work each day to maximise the resources available and develop staff whilst ensuring a continuity of service for customers.

The following is an analysis of the volumetric data for each Council in 2013/14

Volumetric Data by Authority	Mendip	Sedgemoor	Taunton Deane	West Somerset	Total
Establishment (not incl. vacant post)	7.3 FTE	5.08 FTE	5.35 FTE	3.8 FTE	
Administrative	-1.8 FTE	-1.28FTE	-1.75 FTE	-0.8 FTE	
Vacancy	-2.0 FTE	0 FTE	0 FTE	-1.0 FTE	
Professional/Technical	3.5 FTE	3.8 FTE	3.6 FTE	2.0 FTE	12.9 FTE
Workload					
Full Plans	295	317	358	128	
Building Notices					
Regularisations	262	220	234	149	
Total	56	28	39	13	
	613	565	631	290	2099
Population	105,000	116,524	111,000	34,675	
Area hectares	73,814	60,587	46,326	72,535	
Number of offices	1	1	1	1	
Miles/FTE (excl admin)	40	21			
Miles/application (excl AIs)	44	41	N/A	N/A	
(Assumed 220 working days/FTE)					
Application/FTE (excl admin function)	175	149	175	145	
Application/FTE(incl admin function)	116	111	117	104	

Percentage of work undertaken admin support	34%	25%	33%	28%	
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Example of calculation of admin input on workload. Total number applications/FTE incl admin function as a percentage of Total number applications/FTE excl admin function i.e 111 is 75% of 149 which equates to 25% being admin function.

Table 1 – Volumetric Data

There are some key indicators of the impacts of the different ways of working in each Council:

1. All teams have a dedicated administrative support, which carry out a number of functions including the registering of applications and maintenance of notices on the system. It can be estimated that on average 30% (Admin FTE/Total FTE) of the work of the BC function is being performed by administrative staff in all authorities. It is considered that this should therefore be the initial benchmark moving forward
2. Currently the miles per application, in relation to district areas, is considered reasonable. Taking into account the number of urbanised areas. It is difficult to confirm exact numbers of inspections per day as all Councils record the number of sites visits differently on their systems (Some tend to record each inspection as a site visit whilst others record each visit as a single visit regardless of the number of inspections carried out).
3. Performance varies across the range from 175 applications per FTE in two authorities, with the remaining averaging between 145 per FTE and 147 per FTE. Whilst further review of the data will need to be carried out, it is feasible that there could be a move to increasing applications per FTE without affecting service delivery or customer satisfaction. Currently one authority with the joint highest number of applications holds Customer Service Excellence accreditation with customer satisfaction levels of 98% of customers considering the service to be at least 'positive' and 58% of respondents considering the service to be 'very positive'.

A review of other partnerships show that the CNC BC Partnership in Norfolk, Devon Partnership and South Gloucestershire have all moved to a more centralised team structure in order to maximise the efficiency of their BC functions, which has shown success.

All authorities have the capability of remote working to a greater or lesser degree. Mendip District Council has been operating a remote working regime since 2012 utilising Citrix systems which means that anyone across the partnership would be able to access data files remotely from day one of the partnership. Currently 3 Councils use the Idox software, either Uniform or Accolaid applications for their BC functions. West Somerset currently operates Northgate M3. The Building Control Manager at West Somerset has confirmed that a move to Accolaid could be quickly accommodated meaning that all councils will be using IDOX software. Work is continuing to identifying versions and compatibility, but indications are that all systems could be aligned over the medium term. This will entail addressing some logistical issues such as migration of data, WAN access and transfer of licences as well as scanning facilities and local image servers for the ERDMS. In addition there will be a need to reach agreement on standardisation of processes in capturing and recording data on the system e.g. site visits / inspections. In the short term however the partnership can run using the systems it has in place, with the identified work stream developing the next steps.

Redesigned/engineered processes supported by standard business applications could deliver efficiencies in the future service. For example remote access with hand held devices utilising the 3G network and accessing back office systems via a 'cloudbase' type server will enable

instant recording of site visits and access to applications similar to that currently used by North Somerset Council. These potential efficiencies have not been quantified or assumed in the business case but will be a future route for the new partnership as it begins to build further efficiencies into its processes .

The degree to which further efficiency opportunities exist will be substantiated during the first year and reported to the Joint Partnership Committee.

Organisational & People

The main impact on the organisation of the service will affect the management roles and balance between administrative and professional staff. At present there are duplicated management structures, creating opportunities to streamline the service if a unified management entity / structure is created. Consolidating the overall management of the service and other activities which do not need to be delivered on a distributed basis into one location could potentially remove two senior management posts and some professional (including a Principal and an Area Manager post) and administrative roles. ***Working on the best performing figures of 175 applications per FTE then 2099/175 = 12 Technical Staff, resulting in a structure which consists of***

- Partnership Manager
- Operational Manager
- 8 x Surveyors (1 x Senior)
- 2 x Assistant/trainee

- There are currently 3 vacant posts across the partnership. In addition the following reductions in current establishment will achieve the proposed staffing
- 2 management posts
- 3 vacant posts
- 1 FTE surveyor post.

Also, working on the assumption that 30% of the Building Control function is undertaken by support staff, this would reduce numbers to 4 FTE staff, which could include 1 FTE modern Apprentice (see Appendix G for further clarification)

Post Level	Existing Establishment	Proposed Establishment	Resource Saving
A. Building Control Managers	4	2	2
B. Principal	1	0	1
C. Building Control Surveyors(incl 1 x Senior Role)	11	8	3
D1. Assistant / Trainee Building Control Surveyors	2	2	0
D2. Admin Manager/Systems Administrator	7	4	3

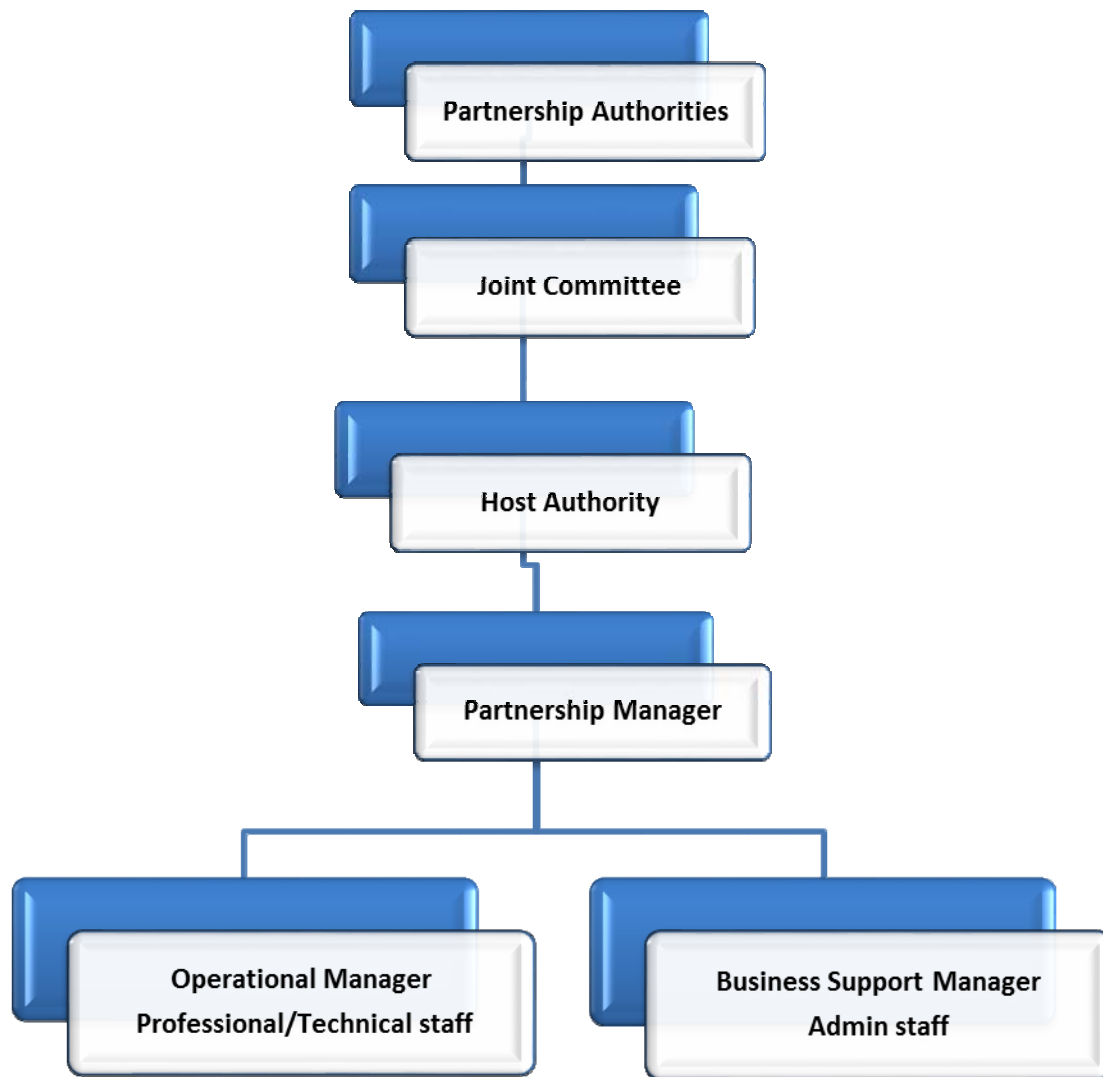
Total	25	16	9
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Comparison of current and proposed establishments

Any efficiency in future processes or ways of working are not anticipated to reduce headcount in professional roles. The restructuring and unified management of the service is expected to create increased capacity and resilience within the service which is currently an on-going operational issue in two districts. In addition given the age profile of the team such reductions could be achieved in the longer run through natural wastage of Technical/Professional staff after the new structures and processes have been given ample time to bed-in and to start to generate productivity savings without the need to incur any redundancies.

Through re-alignment and harmonisation it is envisaged that the service provided to customers can be improved by staff having greater support and the ability to be more flexible along with the ability to offer a wider range of services

An illustration of the high level future organisation structure is set out in the diagram below:



The structure above assumes that most staff located within existing local authority offices in the short to medium term, of the combined areas, with mobile working taking place. One of the advantages of a single management team co-ordinating the service is that strategic decisions regarding the optimal ‘touch-down’ location (for both officers and work) may be determined, providing appropriate local access (for customers) to building control officers, minimising travel to work time for officers and optimising the geographic area serviced by each officer and without regard to arbitrary district boundaries while still achieving financial efficiencies.

The biggest impact on the staff will be a re-alignment of staff to their closest ‘work’ location and customers enabling more efficient and effective utilisation of staff for site visits and local coverage to give customers a strong and responsive service.

4.2.1 Roles

Partnership Manager

Reporting to the joint board the post holder delivers the strategic direction, performance and resource management of the new partnership entity in accordance with the agreed

business plan. Holding responsibility for systems delivery, efficiency savings, strategic marketing (particularly cultivating new and existing major customers and developments and identifying additional income streams), and business management to ensure the delivery of an effectively managed building control service. This role would have special responsibility ensuring effective communication on strategic matters with councillors, key stakeholders (internal and external) and post holders of the partner councils. The ability to manage multidisciplinary teams will also be a requirement of the post holder, as other services closely aligned to with the Building Control functions, either technically or financially, may subsequently come under their control. These will include, initially, the delivery of Land Charges & Searches for TDBC & WSDC and may, in the future, cover Private Sector Housing (disabled facilities grants) or Empty Homes. The associated costs of which will be recharged to the relevant authorities. On occasion it may be necessary to undertake operational roles and responsibilities as required.

Operational Manager

Reporting to the Partnership Manager, the post holder will be responsible the line management and direction of all activities of building control professional staff. This will include responsibility for monitoring business needs and deploying resources to meet these demands. The scope of the service will initially be the provision of the current building control business (including building regulation checking/enforcement services and provision of public safety/specialist services), but could in the future cover other services such as fire risk assessments and sound testing. The post holder will also be responsible for the development, appraisal and training of all professional staff with regard to all technical, legislative and health & safety matters; ensuring that the service is technically 'fit for purpose'. It is proposed that the post holder under the guidance of the Partnership Manager will deliver a robust marketing strategy, focusing on promotion, business relationships, sales and account management. The post holder will liaise with the Senior Building Control Surveyor and staff, on a day to day basis, to ensure good account management of key clients and compliance with Key Performance Indicators. The post holder will also deputise for the partnership manager when required.

Administration/Business Support Manager

Under the direction of the Partnership Manager ensure that new systems (such as new computer management suite, EDRMS, and remote working) are introduced on program expeditiously. To ensure the management of budget, preparation of performance statistics, supervision of the Technical Support Team, and to ensure the surveying team is supported adequately. The post holder will also be responsible for the introduction of quality control, unification of procedures, and implementation of systems to aid remote and mobile working.

Senior Building Control Surveyor

(The future need for this position will be reviewed by the new Management Team after instigation of the Partnership)

To carry out the role of a Building Control Surveyor with the additional responsibility of supporting the Operational Manager by providing professional and technical expertise to the team and be responsible for helping to co-ordinate the review, development, maintenance and delivery of building control policies. To support the Operational Manager in leading and motivating professional staff to achieve an efficient and effective, high-performance service in a competitive marketplace. Contribute to the general

development and review of the building control team both in terms of services provided and staff performance, and in doing so ensure the effective operation of the function. The post holder will also deputise for the Operational Manager when required.

Building Control Surveyor

Under the direction of the Operational Manager the post holders will be responsible for ensuring the provision of a professional building control surveying service. They will be undertaking appraisals of plans and buildings, to ensure compliance with regulations and statutory obligations, and ensuring the health, safety and wellbeing of people in and around buildings. Post holders will provide advice to customers and members of the public on regulatory requirements and general procedural and construction advice. The post holders will have an important role with regard to marketing and business development through all forms of contact, and being key account holders with registered partners.

Assistant/Trainee Building Surveyor

Under the direction of the Operational Manager, post holders will undertake general building control duties in line with a career development plan. The new organisation will be attempting to build resilience by ensuring that trainee surveyors are sponsored through to fully qualified surveyors in order to ensure a 'grow your own culture'. The role of training will become pivotal to each and every surveyors position to ensure that the ethos of learning the new organisation is of paramount importance.

Technical Support Officer

Reporting to the Admin/business support manager, the post holder will assist in the project management of systems development within the new unit and assist with daily work allocation and prioritisation. Responsible for providing administrative/technical support ,to the Building Control team, on a daily basis.

4.2.2 Summary of key structural changes

The main points of note on the new structural form are its reflection of the key findings of the Gershon review, in that there is a renewed emphasis on directing resources to the front line. There are fewer layers of management and a greater emphasis on giving surveyors the requisite autonomy and tools to do the job. In summary, the new structure

- matches the challenges of the key internal and external drivers for change,
- aligns more closely with the needs and expectations of our customers
- will allow the organic development of the service and staff with the emphasis on retention
- gives surveyors more autonomy whilst ensuring systems of cohesion and co-ordination are still in place
- provides a more effective & efficient service
- will deploy more effectively ICT capabilities to develop mobile and flexible working.

4.3 Human Resources

A full report on the HR implications is attached in Appendix I

4.3.1 Recruitment of Partnership Manager and Operational Manager

Consider the existing building control managers first then, if no appointment made, advertise internally and externally.

The advantages of this option are:

- successful appointees are already stakeholders in the business.
- there are no significant advertising costs if one of the existing building control managers is appointed.
- issues concerning existing building control manager applicants are cleared up early in the process.
- reassures existing staff facing a similar situation that, where appropriate, they will be given the first opportunity to apply for posts before they are advertised more widely.

The disadvantages are:

- if recruitment unsuccessful at the first stage the recruitment process is longer.
- there is no comparison of internal applicants against external applicants leading to a risk of not appointing the very best candidate to the role, which may compromise or inhibit innovation.

4.3.2 Staff transfers. As part of our investigations we have considered the alternatives of staff transfer or secondment to the new unit. Having taken advice from our HR colleagues we are advised that the only feasible option is to TUPE staff at the time of establishment of the joint unit.

The option of secondment would disadvantage staff and would prove complex to manage for the partner authorities. We would further suggest that the foundation agreement include provision that should the joint unit be dissolved for any reason, then staff would TUPE back to the partner authorities.

4.3.3 Staff remuneration/benefits. To be successful the unit must ensure that the salary and benefits package for building control staff does not disadvantage individuals. All staff will transfer on their current terms, followed by an agreed period of consultation on future proposals. It should be noted that in the financial case, all staff costs are assumed to be at the top of the grade, so a pessimistic picture has been painted, which in reality will not be the case.

Benefits packages are likely to include alternative cash allowances i.e standby and car allowances.

4.3.4 Workforce development and profile. There are extreme problems across the districts with retention and recruitment and the general demographical issues illustrated previously. It is essential that the new organisation has sound structured training programs to ensure that it can develop a supply of qualified surveying staff in the future. The new partnership will allow councils to adopt a 'grow your own' culture providing development opportunities for residents. Therefore it is planned to have trainee/assistant surveyor posts which will not only ensure that the unit can cope with turnover amongst surveyors, but by recruiting less skilled people and training them, staff will provide an opportunity to develop a more diverse workforce and offer opportunities to our residents. This ethos on development will also apply to the Administration/Technical Support staff by utilising the Modern Apprentice Scheme.

5 Financial Case – Summary

5.1 We have appointed Janet Pascoe from Sedgemoor District Council to develop a comprehensive overarching financial statement. The proposed budgets for all authorities in 2015/2016 will remain as forecasted in year 1. This statement and assessment of future savings will cover those already identified and expressed in this

document as well as savings on support costs, duplication of processes, reduction in license costs etc. It should be noted that there will be savings through efficiencies, but these cannot be determined at this stage.

Building Regulation Fee Earning Service (Non statutory)

This service is concerned with determining compliance with Building Regulations by assessing plans and carrying out site inspections at different stages of the building process. Customers are advised of contraventions of the building regulations and how they may be overcome.

Legislation allows prosecution in the magistrates' court for contraventions of the Building Regulations but is only used as a last resort.

This element of the service's work is subject to competition by the private sector

Non Fee Earning Work (Statutory)

Building Control provides a number of services which are necessary as part of a local authority service. These include:-

- Dangerous Structures.
- Enforcement of Building Regulations
- Demolitions.
- Registering All Initial Notices and Competent Person Scheme works.
- Process disabled person's applications.
- Provide advice to other council services.
- Safety advisory group / safety at sports grounds/outside events.
- General pre-application and building regulations advice.

These elements of building control work do not require payment of a building regulation charge and are not required to be self-financing.

When reviewing the percentage split between the accounts across all authorities, there are a number of variations. It is proposed that existing splits are applied during year 1 with the intention that the proposed efficiencies in working and a proper review of actual non fee earning services will lead to an accurate non fee earning charge to each partner from year 2.

With the efficiencies expected it is anticipated that this charge will be a reduction on current levels leading to further savings for the partnership.

5.2 Financial Arrangements – It is recommended that Host Council will manage the budgets of the Partner Councils relating to the Partnership on behalf of the Partner Councils (hereinafter referred to as “the Pooled Budget”). The Pooled Budget and the Trading Account will be ring fenced for the provision of the Partnership, in accordance with guidance from CIPFA Code of Practice on Local Authority Accounting, Local Authority Building Control Accounting (Revised Second Edition 2010) and The Building (Local Authority Charges) Regulations 2010. To isolate various income and expenditures, the Host Council will separate the Pooled Budget into 4 separate accounts (hereinafter referred to as “the Pooled Accounts”) the first three relating to the activities set out in Schedule 5

- ‘*Building Regulations Chargeable functions or advice*’ account, in accordance with The Building (Local Authority Charges) Regulations 2010 (hereinafter referred to as “the Chargeable Functions”).

- *'Non-chargeable Activities'* account which include all the direct costs and indirect costs which provide a statutory building regulation service for the Partner Councils (hereinafter referred to as "the Non-Chargeable Functions").
- *'All Other Building Control Services'* include all the direct costs and indirect costs which provide other regulative services for the Partner Councils or for professional building control services which are outside of the administrative area of the Partner Councils or provide additional services (hereinafter referred to as "Other Building Control Services").
- *'Trading Account'*, a 3 year earmarked reserve, where surpluses or deficits occur, to demonstrate a breakeven position 'taking one financial year with another' (hereinafter referred to as "the Trading Account").

For the administration of this account reference will be made to *CIPFA's Local authority building control accounting - fully revised second edition 2010 and Schedule 5*.

5.3 Surpluses, deficits and Capital Investment

After extensive research and discussions two options were identified to deal with surpluses and deficits (see Appendix F) the project Team proposes that any deficits or distributed surpluses be shared amongst the partner authorities' pro-rata to services delivered within the geographic area of each partner. The Project Team feel that an equal split on all costs will enhance the prospects of a successful partnership. This model has been adopted by other Local Authorities entering Building Control partnerships. This view has been taken on the basis that to service each application uses resources which dictates a 'cost neutral outcome' reflecting that each application in effect pays for itself. This determines that no council function subsidises another and that surpluses and deficits are a true reflection of an equal split. Surpluses and deficits will be treated as per CIPFA guidance, and in principle sit within the partnership.

Capital expenditure and 'one off' costs should be serviced through surpluses and savings; where surpluses are not available or savings realised, these costs will be borne in the first instance by The Partner Councils and reimbursed by the Building Control partnership over the three year accounting cycle. It is paramount that in order for the partnership to succeed all surpluses are 'ring fenced'

5.4 Savings and Costs

Initial savings year 1

Structural Savings

For the purposes of this report the initial savings identified are through high level structural changes made in the proposed staffing levels identified in 4.2.

These workings have identified all posts currently forming part of each council's establishment and assumed no vacancies, as salary costs for each are identified within each council's budget.

The current establishments, assuming all posts are filled gives a total cost of £828,702

Ex 1.

Assuming reduction in posts as page 14 and staff transferring on existing salaries.

Establishment on existing salaries		£531476
Total Savings	£297,256	
Savings realised/Authority	£74,314	

Ex 2.

Assuming all new posts are filled at the top of the highest salary scale of the partners.

The current establishments, assuming all posts are filled gives a total cost of £828,702

Proposed establishment with salary uplift £590,590

Total savings on	£238,112
Savings realised/Authority	£59,528

IT – Independent to their decision on the service’s main location, the Board considered what options were available to provide IT services to the partnership and concluded that provision through Sedgemoor District Council would provide the technical support and development skills required, as well as being the most cost effective option.

The ICT infrastructure is already available at Sedgemoor District Council and has sufficient capacity for the increased number of users and will enable mobile working through real-time remote access to the central system.

At present, the partner councils use different types of application software. The Board has agreed that the application software used by Sedgemoor District Council, the current market leader, will be the one used by the partnership. The system will be able to link into other Council systems, such as GIS, DIP and development control application software, as required. Currently the costs for initial setup have been identified as being approximately £45,000 which includes a staff resource of £14,000. A full breakdown of costs and a commentary on the IT work stream are attached in Appendix B

Savings on Admin – At this stage of the project the savings identified initially are through structural reorganisation and by centralising the admin function to a single office. Future savings are anticipated by further reducing and eliminating current duplication of processes and by developing more effective and updated methods of working. These will include moving to electronic payment systems, reduction in printing and postage and increasing the use of electronic communication to clients and customers.

Supplies and services - are expected to fall as a result of the establishment of the joint unit. This is mostly in respect of reduced subscriptions and licence fees and will be reported as part of the future finance report

Recharged staff – Currently Mendip’s Building Control Section receives a recharge for the provision of admin support. Under the joint unit, all admin staff will be a part of the unit, so there will no longer be a recharge. There is also currently recharges for staff between TDBC and SDC, however this will not generate savings as all staff will remain within the proposed partnership.

Support services - The new building control unit will need finance, HR, IT and legal support services. However these services are supplied (ie whichever partner(s) are responsible), the partners are concerned that they will end up receiving less total revenue (recharge plus surplus) with which to cover their support service commitments after the new unit is created than before, whether or not they are the providers of the support services.

It is our view that creating a joint unit will sustain the total funding available for support services and also improve the surplus available for distribution than remaining separate.

The project team have had extensive discussions regarding the options, in summary, the view is that in order to be successful, the joint unit should ideally source support services from whichever provider best meets the business’s needs. However, it is most likely that HR, Finance and IT support is sourced from the Host Authority.

Future savings in IT and Finance support costs will be forthcoming once the contract between MDC and Capita ends in 2017 and IT support savings when the current contract between TDBC and Southwest One concludes in 2017

Support costs -Our work has identified significant variations in the level of support services and associated recharges paid by building control sections. For the purposes of this case we have made the prudent assumption that there will be no reduction in support service recharges in Year 1. However, as expressed previously further discussions will need to be had with regard costs in the future and how the costs to the unit can be reduced by those authorities no longer providing support services.

Residual costs - As we have noted a reduction in the cost of support services to the Joint Unit may not necessarily be equalled by a reduction in the cost of support services for the partner authorities in the short term. If this is the case then the authorities could incur short term residual costs. This means that there will be additional savings for partners over the longer term.

Capital charges -There are currently no capital charges, but as discussed in Section 2 (Drivers of Change), a key element of the joint unit's strategy is to improve service delivery through the introduction of new technology. To some extent it is likely that the partner authorities will have to invest in such technology. It is envisaged that a percentage of the structural savings identified be utilised for investing in this area.

Transport costs - are also assumed to be the same as operating a joint unit. Increased use of technology will lead to a greater degree of home and remote working which should reduce transport costs. However, this will be offset to some extent by increased costs for the management team (who will have to travel across the four authorities) and the business development function.

Accommodation - Premises costs are assumed at the same level in year 1 as TDBC and WSDC have confirmed that no savings can be considered with regard to accommodation. In reality, the joint unit is likely to reduce its usage of partner authorities' offices once its HQ and Admin centre are established at the host authority, but we have assumed that any expenditure on such accommodation will be offset by a reduction in charges from the partner authorities in the future.

5.5 Implementation costs

5.5.1 Implementation costs could include:

- Potential redundancy costs for two of the existing Building Control Managers, one Building Control Surveyor and Three Admin posts. These costs are to still be confirmed
- The costs of appointing staff to the new structure in Year 0. This could comprise:
Partnership Manager (potential cost nil to £9,836 for internal candidate)
Operational manager (potential cost nil to £4,812 for internal candidate)
Business support/Admin Manager (£6298)
N.B All costings are within the salary structures calculated in this document.
- IT costs on initial setup is approximately £45,000 including staff resource.

6. Implementation Plan. The following table indicates the stages the proposed partnership will follow to full transformation

Implementation Plan			
	Set up	Live Project	One year in
	Year 0 – up to April 2015	Year 1 2015 – 2016	Year 2 2016 - 2017 Year 3 Onwards
Process	Process integration <ul style="list-style-type: none"> • Datasets review • Quality Management • Service performance framework • Review of hourly rates with a view to harmonisation day 1 	Investigation of diversification opportunities <ul style="list-style-type: none"> • Fire risk assessments • SuDS • Access audits • Sound testing 	
Organisation	<p>Year 0-1</p> <p>Legal</p> <ul style="list-style-type: none"> • Agreement on company model (arms length, host authority etc) • Governance structure approval and establishment of Joint Committee • Appointment of Management Team • HR/Staff consultation <p>Corporate Identity/Branding Marketing Strategy</p>	<p>Year 1-2</p> <p>Management and administration bases determined Surveyors move to agile/remote working IT plan TUPE</p>	<p>Year 2-3</p> <p>Daily presence provided to each authority as required in each Local Authority</p>
People	Management Team appointed – 1 Partnership Manager Operational Manager Key management/professional support services during year nought provided by the DC partners as agreed.	See above	<ul style="list-style-type: none"> • Transfer of Partnership functions to a single office • Utilise use of mobile working technologies • Implementation of single desk presence in each authority to provide: <ul style="list-style-type: none"> - local customer advice contact - development/access advice - local point of contact Surveyor
Information & communication technology	IT consultants to advise in the following areas. Dates to be set for implementation subject to the agreement of an IT implementation strategy: <ul style="list-style-type: none"> • Unification of data management system for go live on year one commencement • Remote/mobile working • EDMS • Website development • Computer suite choices • Electronic submission/payment delivery Renewal of mobile/equipment contracts with host authority having let existing contracts run their course, i.e. mobile phones, laptops, online provider.		
	Specification and selection of data management system + training	Single submission material electronic and paper	

7. Risk Log: Building Control project

Risks to project	Impact	Likelihood	Mitigation
Corporate Management Teams (CMT) of the partners refuse to back a recommendation to proceed with project due to perceived impact on overhead allocation and less control of surpluses	M	M	Financial case does not depend on significant overhead costs or savings. Partners control partnership board, which allocates surpluses.
Members do not support a recommendation to proceed eg due to perceived reduction in their control of the service	H	ML	The project was mandated by the Partnership's Commissioning Board, which includes Senior Managers from all participating authorities. Building Control is not a politically sensitive service and with suitable stakeholder management and CMT support the project is likely to proceed.
Combined service fails to achieve expected benefits to customers and to partner organisations	M	ML	Customer service: during transition, analyse service performance and redesign service processes where appropriate, starting with the customer. Financial: make conservative estimates of surpluses. Manage costs of transition and operational costs closely. Monitor market share and forward pipeline and increase business development activities as needed.
Staff unhappy with change: key staff leave, or reduced co-operation.	HM	ML	Good communication; involving staff in developing services and operational improvements; emphasise career and potential financial benefits to staff of new unit.
Fail to implement successful technology solutions and improvements so fail to achieve mobile/flexible working.	M	L	Well established technology already deployed elsewhere; essential to partner organisations' success irrespective of this project.

Risks to project	Impact	Likelihood	Mitigation
Union opposition delays project or results in increased costs, prejudicing business case.	M	L	Early and comprehensive union consultation and involvement.
The authorities cannot deliver non fee earning work as efficiently as at present	M	L	The joint unit will deliver all those services that are currently provided by building control, including their mandatory non fee earning services. The SLAs will define the range of activities and act as a “contract” for services to the partner authorities.
Too much focus on external clients	L	M	There is no reason why this should be more of an issue with the Joint Unit than it is for authorities individually at the moment. The Joint Committee which governs the service will ensure that the focus is kept to an appropriate level. The establishment of a Business Development function which is separate from the delivery arm of the joint unit could also reduce this risk.
Reduction in local knowledge	M	M	Whilst there will be opportunities for greater specialisation across the joint unit, delivery of services will still be through area based teams who will retain local knowledge as at present.
Joint unit fails to achieve projected fee levels	M	MH	This is a bigger risk for the authorities if they do not create a joint unit; the new unit will be more financially robust. In addition, the managers of the joint unit will be required by the Joint Committee to deliver the required trading surplus; managers will therefore reduce expenditure in line with reduced income

Risks to project	Impact	Likelihood	Mitigation
Disagreement over the division of surpluses	M	MH	Whilst we do not think it would be appropriate to tie the hands of the Joint Committee, we have set out in the business case our proposals for a default method for apportioning distributed surpluses.
Financial controls are weaker	L	M	One authority will have clear responsibility for accountancy and audit services, and other partners will be entitled to rely on that authority's controls. This issue will also fall within the remit of the Joint Committee to manage.
Loss of democratic control	L	M	Building Control has a relatively low profile with Members, so this is a lesser problem than it would be for other services. In addition, the Joint Committee will have elected Member representatives from each authority.

APPENDIX A

Stakeholder needs analysis for unified service

Stakeholder Group	Current service needs & expectations (What success looks like)	Future service needs & expectations of unified structure (What success will look like in future in addition to the present)
Customers	Effective service (value for money). Professional advice & guidance. Quick resolution of issues. Consistency of approach.	Value adding products (warranty schemes etc.) Value adding services where appropriate (fire safety audits etc)
Management teams & elected members	Service viability. Cost efficient (reduced contribution from general fund). Operational fit, with other internal services. Few or no complaints. All other non-fee (building control) services still provided.	More sustainable service. Greater cost efficiency. Better service standards. Improved service innovation. Greater flexibility in cost control. All other non-fee (building control) services still provided, but with possible increase in scope, e.g street naming service for all districts. See Appendix G for further detail
Staff	Enjoyable and interesting work. Professional development. Succession Planning. Job stability (for most but not all) Personal value and self esteem	Greater diversity in workload. Opportunity for wider skill use and development Improved morale and entrepreneurial ethos. Market aligned terms & conditions. Improved recruitment & retention. Improved career opportunities
Partner organisations	Development of nationally agreed partnership frameworks	Improved consistency. Solution based service delivery. Improved access to specialist skills.
Community	Healthy, safe & sustainable local built environment	As opposite but more effectively and efficiently delivered (more or same for less)

APPENDIX B

Building Control (BC) Partnership ICT Update – CW20141210

Assumptions

The Sedgemoor ICT provisioning is based on the following assumptions:-

- A) All BC Partnership users (16 maximum) will be Sedgemoor employees.
- B) The BC Partnership will use existing SDC ICT Infrastructure and Systems as defined in the spreadsheet (attached) to assure best value.
- C) SDC ICT will configure, support and liaise with suppliers to ensure the environment at SDC is suitable for the BC Partnership needs.
- D) Funding will be made available as identified in the spreadsheet (see attached).
- E) There will be no data migration from partner legacy systems.
- F) Land Charges and Street Naming and Numbering service is outside the scope of the requirements.
- G) Any existing dynamic integration of Land Charges related to Building Control at other non SDC authorities will cease to operate eg. TDBC and MDC. However, a web portal hosted at SDC will be available to view BC property history related to Land Charges. Manual intervention at the partner locations will be required.

Current BC Partnership Systems

The table below summarises the current BC Software Suppliers and the appropriate BC case management system in use within each Local Authority.

Table 1 – Authority Systems

Authority	Supplier	Product	Contract Expiry	Contract Issues
TDBC	IDOX	Acolaid	2017/18	Linked to other business areas and South West One contract
MDC	IDOX	Caps	2017/18	Linked to other business areas and Capita contract
WSDC	Northgate	Building Control	2016	Linked to other business areas and overarching Northgate product contract
SDC	IDOX	Acolaid	Annual Reoccurring	Linked to other business areas and overarching IDOX product contract

Proposed ICT Environment

The following explanation provides a greater explanation of the products and services identified on the attached spreadsheet.

Servers

In order to ensure the 'ICT environment' is technically operational for the BC Partnership the existing SDC technical architecture will need to be modified. It is anticipated that the changes will be minimal if the environment remains as SDC. eg. all users of the BC Partnership will have Sedgemoor.gov.uk email addresses. It is not intended, at this stage, to set up a separate technical operating company within the SDC ICT infrastructure eg. equivalent to Homes in Sedgemoor.

Acolaid

Acolaid is the proposed case management system to support the BC Partnership hosted at SDC. The existing solution installed at SDC already contains various modules and interfaces to support the operations of BC. It is proposed to extend this functionality by reconfiguring elements of the existing system to support the BC Partnership and specific partners.

The spreadsheet (attached) identifies some investment at an early stage in order to comply with software licensing and the business plan of the BC Partnership. It should be noted any licences, eg. e BC and PR module should not be incurred at this time (negotiations are still in progress with IDOX to ratify this). However, the novation of licences should occur at the end of partner contracts, therefore further investment should not be required at this time.

Trim

Trim is the SDC Records Management System where records eg. emails and scanned images are stored. Due to the recent SDC organisational downsizing and existing supplier contract term duration, SDC currently has a number of licences available. Therefore no further investment is required.

Website Presence

A TDBC and SDC BC Partnership website already exists. This is already hosted at SDC and may well need to be amended to support the wider BC Partnership. The changes required will be absorbed by existing resources.

Desktop Environment

The BC Partnership Business Plan requires a 'mobile solution; which maximises their operational flexibility. With Windows 10 to be released in 2015 alongside new mobile devices (touch based laptops and '2 in 1's'), investment in the latest mobile devices will need to be assured at the appropriate time. New devices will need to be purchased/configured prior to the date when the partnership requires technical operation. Therefore, investment will need to be assured.

Remote Access and Telephony

In order for the SDC Partnership employees to work flexibly, Two Factor Authentication (RSA fob) and existing Lync Telephony will need to be provided in line with the SDC flexible working and IS Security

Policies. 2FA investment will be required as SDC do not hold spare licences. . Due to the recent SDC organisational downsizing and existing supplier contract term duration, SDC currently has a number of Lync telephony licences available. Therefore no further investment is required.

Lumia Phones

As all staff are SDC employees, Lumia phones will be provided to operate on the SDC infrastructure. SDC do not carry spare stock, so investment will need to be assured once the BC Partnership is technically operational. This will need to be aligned with desktop, email and user account creation.

Data Migration

The investment required to migrate data has been excluded as the costs are currently unknown. Costs could be as high as £30,000-£40,000 per site, but as no evaluation has taken place on this aspect it is excluded from the costs (see attached spreadsheet). The recommendation is to exclude data migration.

Alternatively, once the BC Partnership is technically operational, any new BC applications should be added to the SDC BC Partnership solution. However, this will require all employees of the BC Partnership to have access to the hosted system. This will need to be aligned with desktop, email and user account creation.

Conclusion

Although investment has been reduced (attached spreadsheet), by maximising existing SDC sink costs and capability, there is operational effort, on SDC's behalf, that will require additional investment – estimate £14,000. The majority of this additional investment will be working with our Supplier eg. IDOX to ensure the solution hosted at SDC is fit for purpose.

There are three potential issues for further consideration:

- 1) Agreement of the resource availability
 - a. SDC IS,
 - b. BC Partners
 - c. SDC Supplier – IDOX
- 2) Agreement of the timeframes to complete the ICT technical operations. In all likelihood the technical environment will not be ready until quarter two/three of 2015.
- 3) An understanding by the BC Partnership of the impact on systems at the remaining sites.eg. TDBC and the dynamic Land Charges integration which will cease, unless there is a double entry of TDBC property and BC case data.

	Qty(Additional) 15 staff max	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Servers								
Domain Controller	2 Servers	£0	£0	£0	£0	£0	£0	£0
Email Server std	1 Server	£0	£0	£0	£0	£0	£0	£0
File Store	9 Users	£0	£0	£0	£0	£0	£0	£0
SFTP Server for secure file transferred (Sedgemoor) (if required)		£0	£0	£0	£0	£0	£0	£0
Configuration of Accounts and Email (Sedgemoor)		£3,000						
Acolaid								
BC Module	9	£0	£0	£0	£0	£0	£0	£0
PR module	9	£0	£0	£0	£0	£0	£0	£0
GIS Module (MapExtreme)	9	£1,550	£360	£360	£360	£360	£360	£360
Competent Person Scheme XML	1	£0	£0	£0	£0	£0	£0	£0
Dangerous Structures	9	£0	£0	£0	£0	£0	£0	£0
TRIM integration	9	£0	£0	£0	£0	£0	£0	£0
LLPG importer	1	£0	£0	£0	£0	£0	£0	£0
Configuration of Acolaid inc LLPG/CPS import solution(Sedgemoor and Idox)		£4,000						
Online BC XML interface		£3,000	£400	£400	£400	£400	£400	£400
Configuration of BC Online Application Interface and XML Payments (Sedgemoor)		£4,000						
Trim & Scanning								
Trim and Redaction	9	£0	£0	£0	£0	£0	£0	£0
Configuration of TRIM and Scanning (Sedgemoor)		£3,000	£0	£0	£0	£0	£0	£0
Website Presence								
Website Configuration (Sedgemoor)	1	£0	£0	£0	£0	£0	£0	£0
Desktop Environment								
Laptop inc Operating System, Office licence and docking station	9	£9,000						£4,500
2nd Monitor (large)	15	£2,000	£0	£0	£0	£0	£0	£2,000
Pager	10	£200	£50	£50	£50	£50	£50	£50
Printing (price per copy) - available only at Sedgemoor								
Remote Access								
2FA token/Licence & headset	9	£650	£210	£210	£210	£210	£210	£210
VPN - managed endpoint devices only	9	£0	£0	£0	£0	£0	£0	£0
Remote Access Server	1	£0	£0	£0	£0	£0	£0	£0
Remote Telephony	9	£0	£0	£0	£0	£0	£0	£0
Remote working (Careline Service)	9	£0	£0	£0	£0	£0	£0	£0
Smartphone								
Lumia 635 - no for admin staff	9	£450	£200	£200	£200	£200	£200	£200
Sub Total		£30,850	£1,220	£1,220	£1,220	£1,220	£1,220	£7,720
System Migration								
WSDC (frozen at end of contract period) - no data migration		£0	£0	£0	£0	£0	£0	£0
TDBC (frozen at end of contract period) - no data migration		£0	£0	£0	£0	£0	£0	£0
MDC (frozen in at end of contract period) - no data migration		£0	£0	£0	£0	£0	£0	£0
Totals		£30,850	£1,220	£1,220	£1,220	£1,220	£1,220	£7,720

APPENDIX C

BUILDING CONTROL FINANCIAL HIGH LEVEL STATEMENT FOR 2013-14

AUTHORITY NAME:

Total Mendip District Council Sedgemoor District Council Taunton Deane borough Council West Somerset Council

INCOME & EXPENDITURE ACCOUNT

	Total			Mendip District Council				Sedgemoor District Council				Taunton Deane borough Council				West Somerset Council				
	Fee Earning	Non Fee Earning	Total	Fee Earning	Non Fee Earning	Total	%	Fee Earning	Non Fee Earning	Total	%	Fee Earning	Non Fee Earning	Total	%	Fee Earning	Non Fee Earning	Total	%	
	£	£	£	£	£	£	%	£	£	£	%	£	£	£	%	£	£	£	%	
EXTERNAL EXPENDITURE																				
Staff costs																				
direct employee expenses	539,881	214,631	754,513	130,470	30,328	160,798	21%	152,910	61,076	213,986	28%	185,963	83,549	269,512	36%	70,538	39,678	110,216	15%	
indirect employee expenses	26,225	13,792	40,016	0	0	0	0%	1,941	1,620	3,561	9%	13,139	5,903	19,041	48%	11,145	6,269	17,414	44%	
Premises Costs	6,005	7,118	13,123	261	0	261	2%	0	3,889	3,889	30%	10	4	14	0%	5,734	3,225	8,959	68%	
Transport Costs	33,451	16,212	49,662	9,415	2,541	11,956	24%	9,809	6,950	16,759	34%	11,320	5,086	16,406	33%	2,907	1,635	4,542	9%	
Supplies & Services	121,539	13,310	134,849	47,990	107	48,097	36%	9,880	4,982	14,862	11%	18,300	8,222	26,522	20%	45,369	0	45,369	34%	
TOTAL EXTERNAL EXPENDITURE	727,101	265,063	992,164	188,137	32,975	221,112	22%	174,540	78,518	253,057	26%	228,732	102,763	331,495	33%	135,693	50,807	186,500	19%	
EXTERNAL INCOME (enter as positive)																				
Building Control plan fees	826,397	0	826,397	245,532	0	245,532	29.7%	255,660	0	255,660	31%	230,022	0	230,022	28%	95,182	0	95,182	12%	
Other external income	30,101	49,725	79,826	699	0	699	1%	196	36,262	36,459	46%	26,190	11,767	37,957	48%	3,015	1,696	4,711	6%	
TOTAL EXTERNAL INCOME	856,498	49,725	906,223	246,231	0	246,231	27%	255,857	36,262	292,119	32%	256,213	11,767	267,979	30%	98,197	1,696	99,893	11%	
TOTAL EXTERNAL NET EXPENDITURE	(129,397)	215,338	85,941	(58,095)	32,975	(25,120)	-29%	(81,317)	42,255	(39,062)	-45%	(27,481)	90,997	63,516	74%	37,496	49,111	86,607	101%	
INTERNAL EXPENDITURE (enter as positive)																				
Support Services	321,774	165,039	486,813	112,549	39,266	151,815	31%	54,584	51,240	105,824	22%	109,991	49,416	159,407	33%	44,650	25,116	69,766	14%	
Capital Charges	6,910	3,105	10,015	0	0	0	0%	0	0	0	0%	6,910	3,105	10,015	100%	0	0	0	0%	
TOTAL INTERNAL EXPENDITURE	328,684	168,143	496,828	112,549	39,266	151,815	31%	54,584	51,240	105,824	21%	116,901	52,521	169,422	34%	44,650	25,116	69,766	14%	
INTERNAL INCOME																				
Internal recharges	52,550	83,513	136,063	0	0	0	0%	0	59,903	59,903	44%	52,550	23,609	76,160	56%	0	0	0	0%	
TOTAL INTERNAL INCOME	52,550	83,513	136,063	0	0	0	0%	0	59,903	59,903	44%	52,550	23,609	76,160	56%	0	0	0	0%	
TOTAL INTERNAL NET EXPENDITURE	276,134	84,631	360,765	112,549	39,266	151,815	42%	54,584	(8,663)	45,921	13%	64,351	28,911	93,263	26%	44,650	25,116	69,766	19%	
TOTAL NET EXPENDITURE	146,737	299,969	446,706	54,454	72,242	126,696	28%	(26,733)	33,592	6,859	2%	36,870	119,908	156,778	35%	82,146	74,227	156,373	35%	

BUILDING CONTROL FINANCIAL HIGH LEVEL STATEMENT FOR 2014-15

AUTHORITY NAME:

Total **Mendip District Council** **Sedgemoor District Council** **Taunton Deane Borough Council** **West Somerset Council**

revised Q1

INCOME & EXPENDITURE ACCOUNT

	Total			Mendip District Council				Sedgemoor District Council				Taunton Deane Borough Council				West Somerset Council			
	Fee Earning	Non Fee Earning	Total	Fee Earning	Non Fee Earning	Total		Fee Earning	Non Fee Earning	Total		Fee Earning	Non Fee Earning	Total		Fee Earning	Non Fee Earning	Total	
	£	£	£	£	£	£	%	£	£	£	%	£	£	£	%	£	£	£	%
EXTERNAL EXPENDITURE																			
Staff costs:																			
direct employee expenses	579,952	235,840	815,792	169,460	46,120	215,580	26%	142,400	61,280	203,680	25%	197,502	88,733	286,235	35%	70,590	39,707	110,297	14%
indirect employee expenses	18,196	8,344	26,540	0	0	0	0%	3,070	3,570	6,640	25%	10,626	4,774	15,400	58%	4,500	0	4,500	17%
Premises Costs	0	5,050	5,050	0	4,250	4,250	84%	0	800	800	16%	0	0	0	0%	0	0	0	0%
Transport Costs	34,700	16,470	51,170	8,630	2,300	10,930	21%	10,850	6,980	17,830	35%	12,103	5,437	17,540	34%	3,117	1,753	4,870	10%
Supplies & Services	82,154	29,892	112,046	21,220	70	21,290	19%	18,390	7,810	26,200	23%	16,954	7,617	24,571	22%	25,590	14,395	39,985	36%
TOTAL EXTERNAL EXPENDITURE	715,002	295,596	1,010,598	199,310	52,740	252,050	25%	174,710	80,440	255,150	25%	237,185	106,561	343,746	34%	103,797	55,855	159,652	16%
EXTERNAL INCOME (enter as positive)																			
Building Control plan fees	773,917	0	773,917	215,000	0	215,000	28%	230,720	0	230,720	30%	231,697	0	231,697	30%	96,500	0	96,500	12%
Other external income	35,969	56,236	92,205	3,790	0	3,790	4%	0	43,710	43,710	47%	27,879	12,526	40,405	44%	4,300	0	4,300	5%
TOTAL EXTERNAL INCOME	809,886	56,236	866,122	218,790	0	218,790	25%	230,720	43,710	274,430	32%	259,576	12,526	272,102	31%	100,800	0	100,800	12%
TOTAL EXTERNAL NET EXPENDITURE	(94,885)	239,361	144,476	(19,480)	52,740	33,260	23%	(56,010)	36,730	(19,280)	-13%	(22,392)	94,036	71,644	50%	2,997	55,855	58,852	41%
INTERNAL EXPENDITURE (enter as positive)																			
Support Services	240,520	156,340	396,860	92,870	30,320	123,190	31%	20,990	62,850	83,840	21%	71,332	32,048	103,380	26%	55,328	31,122	86,450	22%
Capital Charges	0	0	0	0	0	0	0%	0	0	0	0%	0	0	0	0%	0	0	0	0%
TOTAL INTERNAL EXPENDITURE	240,520	156,340	396,860	92,870	30,320	123,190	31%	20,990	62,850	83,840	21%	71,332	32,048	103,380	26%	55,328	31,122	86,450	22%
INTERNAL INCOME																			
Internal recharges	135,319	131,761	267,080	0	0	0	0%	0	65,330	65,330	24%	85,560	38,440	124,000	46%	49,759	27,991	77,750	29%
TOTAL INTERNAL INCOME	135,319	131,761	267,080	0	0	0	0%	0	65,330	65,330	24%	85,560	38,440	124,000	46%	49,759	27,991	77,750	29%
TOTAL INTERNAL NET EXPENDITURE	105,201	24,579	129,780	92,870	30,320	123,190	95%	20,990	(2,480)	18,510	14%	(14,228)	(6,392)	(20,620)	-16%	5,569	3,131	8,700	7%
TOTAL NET EXPENDITURE	10,316	263,940	274,256	73,390	83,060	156,450	57%	(35,020)	34,250	(770)	0%	(36,620)	87,644	51,024	19%	8,566	58,986	67,552	25%

APPENDIX D

Other examples of partnership working in Building Control

Name	Local Authorities	Details
CNC Consultancy	Broadland District Council Norwich City South Norfolk	Commenced 1 April 2004. Joint Committee. Host Authority Broadland. Strong brand image. Clear and early communication with customers
Devon Building Control Partnership	South Hams District Council Teignbridge District Council West Devon Borough Council	Commenced April 2004 (Teignbridge & West Devon). South Hams joined partnership August 2006. Hosted strategic local authority partnership. A developing partnership based on existing area based structures.
Horsham and Crawley Building Control Partnership	Horsham District Council Crawley Borough Council	Commenced 2006 Joint Partnership Board. Horsham acting as host
North Derbyshire	Bolsover Chesterfield North East Derbyshire	Joint committee with Chesterfield acting as host including provider of all support services. This was one of several joint working initiatives the authorities considered at the same time.
Ipswich	Ipswich Suffolk Coastal	Lead authority model with Ipswich providing services to Suffolk Coastal under contract.

APPENDIX E

Full service catalogue

Building Control defined:

The main function of all Building Control sections is to ensure that new building work meets the requirements of the Building Regulations. These Regulations cover matters such as structural stability, fire safety, conservation of fuel and power and access and facilities for disabled persons. This is achieved by checking and approving plans of proposed works, and then carrying out inspections of the work on site as it proceeds.

Building Control also:

- Ensures that dangerous structures are made safe.
- Demolition of existing structures does not endanger public health and safety.
- Offer general advice about building matters.
- Gives advice about access and facilities for people with disabilities.

Proposed Building Control Level of Service:

The existing teams cover all or some of the services noted in the above table; we proposed to maintain this level of service within the new structure. However, opportunities exist for the Districts to choose to retain, or pass over services to be undertaken by the newly formed establishment. An example of this is the land Charges Service. Currently, one district provides this through building control. It may be more logical from an information management context for the new unit to provide this service across the Partnerships districts

Chargeable account Works	Funding stream	Source of Duty
Building Regulation Work		
Plan checking & consultations	Building Regulation fee income	Statutory Duty
Structural engineering checks		
Site Inspections		
Preliminary enquiries in connection with future projects		
Administration associated with LA controlled submissions		
Non chargeable account works (building control)	Funding stream	Source of Duty
Building Act/Legal/Enforcement		
Enforcement/Appeals/Disabled Fee/Exempt Works etc.	Council Tax funding	Statutory Duty
Public Advice/Complaints/Political		
Approved Inspector registration		
Development Control & Conservation		
Planning Condition checks	Rechargeable work	Best Practice

Planning Application Consultations etc.		consultation	
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Non chargeable account works (building control)	Funding stream	Source of Duty	
Public Safety Services			
Action on dangerous structures	Council Tax funding ¹	Statutory Duty	
Control on demolitions			
Fire Authority enforcement checks			
MOE, Ingress & Egress (S71/S72)			
Emergency Planning			
Emergency callout provision for dangerous buildings			
Other Internal Services			
Consultation Service, i.e, housing	Rechargeable work	Discretionary consultation	
Land charge searches			
Licensed premises consultation			
Means of Escape advice			
Housing returns	Council Tax	Statutory Duty	
Solicitors Query replies			
Corporate Development Unit			
Departmental work for people with disabilities	Council Tax	Discretionary	
Street Naming & Numbering			
Naming & Numbering	Council Tax	Statutory	
Renaming & Renumbering	Fee income	Discretionary	
LLPG	Council Tax		
Other surveying work outside of trading account			
MOD work	Fee income	Discretionary	
Access audits			
Fire Audits			
Energy surveys			

APPENDIX F

Treatment of the expenditure and income of the Building Partnership

1.0 Treatment of the expenditure and income of the Building Partnership

The Building Control Partnership will be made up of four Building Control units representing Mendip District Council, Sedgemoor District Council, Taunton Deane Borough Council and West Somerset District Council. This guidance note sets out the intention of how income, surpluses, recruitment and capital investment costs should be split between the four authorities.

2.0 Fee Earning Income

The income derived from Building Regulations applications will be readily identifiable, as application fees will be recorded against each application. Each application will also be identified against the district/borough Council in which it sits by an identifiable suffix on the file management system. Initial research suggests that this is entirely possible through the IDOX packages. This will allow the fee income from each authority to be established through the database at any time and when budget monitoring and when budgets are set and outturns are calculated. Fee income can then be attributed against each Local Authority ready to be apportioned against relevant support charges, salaries, accommodation and other on costs.

As surveyors and support staff will be employed by a single Council there will be no requirement to adjust the recharge rate of surveying services across districts beyond their agreed harmonisation at the outset. It is noteworthy that the hourly rate of each Building Control department from each Council is similar to the point that that harmonisation can be fully established and fees can be unified with very little impact on each authorities published schedule of fees. Surveyors will work across what were authority boundaries and, in accordance with the Building (Local Authority Charges) Regulations 2010, 'the charges regulations', each application is expected to be delivered on a full cost recovery basis irrespective of which authority has legal control.

2.1 Proposal 1 – Equally split surpluses and deficits

Fee earning income for each authority x 4 - cost of all building control staff, support costs and on cost / 4 = Surplus or deficit per authority. The surplus or deficit will sit with the partnership to be treated in accordance with the Building (Local Authority Charges) Regulations 2010, although in reality this will be under the control of each authority equally.

The Partnership will be working to the statutory requirements of the Building (Local Authority Charges) Regulations 2010. This requires a Council to charge only for what is required for an application to be serviced. There should be no ambition for the Partnership to model a business that attracts large surpluses without the intention of investing them back in to the business through staff resource or

infrastructure or in order to neutralise previous deficits as a rolling programme. There are a number of factors that need considering should the partnership choose to equally split surplus' and deficits across the partners.

1. An equal split creates autonomy amongst the Partners.
2. This has been an agreed process though a number of similar partnerships.
3. The Partnership is guided by CIPFA guidance and Regulations set out in the 'Charging Regulations'. Transparency of accounts and how costs are attributed so that Authorities are not cross subsidising each other will need to be established.
4. An equal split will work where surplus' can be reinvested in infrastructure and technology or staff. Problems may occur where deficits occur which have to be absorbed by each authority. Based on 2013/14 outturns it is clear that West Somerset cannot currently attract the same levels of income as the other Partners (*WSDC income 11% of total income see Appendix A*). Deficits would be based over the Partnership divided by 4 which may be an increase on costs to WSDC or transversely it may be that the other Councils attract deficits as a result of a single Council not being able to cover its costs.
5. The principle of the Partnership and the 'Charging Regulations' is that resources are attributed to service an application at cost recovery only. If prudent management and accounting is established resources will be targeted where required and reduced where not. This negates whether an Authority attracts higher levels of income than others or not, as resources are established based on income.
6. Should the Partnership disband or one partner leave settlements of 25% of any surplus (or deficit) in the current year will need to be agreed. Agreements to tie Authorities to capital expenditure will also need to be established.

2.2 Proposal 2 - Treatment of deficits and surpluses based on an agreed factoring arrangement.

An alternative to proposal 1 is that surpluses and deficits should sit with each Authority coming into the Partnership. This can be established based on application data which will remain readily available through the chosen file management system. When considering this option the following factors need to be taken into account: -

1. Agreement of the factors to be taken into account will need to be established and agreed. It is likely that fee income and number of applications will be key data but that the size (hectares) of each area will also need to be taken into account. With a single hourly rate for the Partnership, mileage and dead time through travel need to be accounted for so that the cost of servicing remote applications on a frequent basis can be factored into the true cost of servicing an area.
2. In order to account for the running costs of offices and administration any factoring will need to include service costs, although accounting costs and HR costs may need to be factored separately as the delivery of accounts for instances does not change based on income or number of applications.

3. The factoring of surpluses and deficits if taken as the chosen route forward will need to also be applied to redundancy and capital investment costs, in order to promote equality in the financial contributions. This may be challenging when trying to establish a single Partnership as it may establish more dominating Partners in the Partnership. Simply, if equality is established throughout, this can be reflected in the decision making processes, financial contributions and service delivery.
4. The factoring of surpluses and deficits leaves a status quo of each 'service unit' acting individually. It further leads to each Authority needing to reach their proposed factor rating in order for the factor to correct at its application.
5. Any factoring will need to be revisited on an annual basis to establish that remains equitable.

3.0 Recommendation

The Building Control Managers from each Authority feel that an equal split on all costs will enhance the prospects of a successful partnership. This model has been adopted by other Local Authorities entering Building Control partnerships

4.0 Statutory Costs and the recharge of costs incurred on statutory functions (Proposal)

The costs of carrying out enforcement work, dangerous structures and demolition notices will remain with each local authority, although the statutory account will be administered by a single accounting unit. This has currently been identified as Sedgemoor District Council. If and when staff are TUPE'd to a host authority, time dealing with other authorities enforcement works will need to be recharged to the appropriate Council. The Councils included in this partnership have very similar hourly rates for the recharge of their Building Control services. This allows for the development of a single hourly rate to be established without adversely affecting fees and recharges of any of the authorities included.

In the interests of establishing a viable partnership it is sensible that no single Council should take the burden for enforcement costs. These are cost that should be borne by the Council in which the statutory function sits and professional staff costs should be identified and recharged to the specific Council and the specific case to which the charges relate. This allows for the processes to be fully auditable and for each Council to enjoy any savings that are established through efficiency savings being distributed through the hourly rate. When considering dangerous structures for example, undertaking works to make structures safe is time consuming and can become costly if a Council undertakes work or measures to make a building safe, or initiates legal action through the Magistrates Court. Expenditure on enforcement work will sit within each Council with recharges, such as solicitor costs, surveyor costs, and labour costs and equipment costs being charged on as a cost of service for servicing a specific incident.

5.0 Calculation of expenditure and capital investment (Proposal)

In order for the Partnership to move forward and align itself to the proposed structure in the business plan, there will be some costs associated with streamlining the workforce and a requirement for capital

investment to upgrade IT systems and realise full efficiency of the service through mobile working and alignment of systems and processes. It is noteworthy that none of the Building Control units currently have surpluses ready for reinvestment and that upgrading of IT currently sits within each Council through their IT service providers. These costs are attributed through each Council's accounting procedures. All investment will need to be demonstrated on a 'spend to save' basis. When considering expenditure to streamline the workforce, this would include the costs associated with redundancy. The Partnership Board and Executive will need to decide how this expenditure will be shared through the Partnership and the following options need to be considered: -

Table 1. Consideration of options

Proposal	Justification of proposal
<p>All Costs should be attributed equally at 25% per Authority.</p>	<p>With regard to redundancy precedent has already been set through the Taunton Deane and Sedgemoor working arrangements. The redundancy cost of the Senior Administration post was split 50/50. This was irrespective as to the employer of the post which was a single Council with salary costs being recharged.</p> <p>In the interests of forming an equal Building Control Partnership differences in size, the ability to attract income or the staffing ratios for each building control team should not be considered as it highlights the differences is unit size. With stakeholder support required from the outset we should not produce a culture that larger service units have greater gravitas and therefore attract higher costs when paying for redundancy or investment. All costs attributed to the Partnership should be on a spend to save basis for the Partnership.</p>
<p>Each Council should pay for their own staff costs. (redundancy)</p>	<p>The business plan is for all staff to be TUPE transferred to one Council in the medium term. Therefore everybody connected to the Partnership will be working for the same organisation. All costs associated with this process will need to be met by each authority. Redundancy costs will form part</p>

	<p>of this process. In order for the recruitment and redundancy process to be completely transparent and equal it is not reasonable for a single council to bear the costs of making its own staff redundant as a consequence of the Partnership when staff from other partnered councils may not have these costs because their staff was successful in filling a position.</p>
Redundancy cost should be factored	<p>If costs were factored agreement would be required as to how a factor would be applied. Table 2 gives a number of options on how a factor could be applied. Applying a factor would be difficult and would complicate the accounting procedures for the partnership. If a factor was based on unit income this would need to be revisited on a periodic basis as specific towns or areas enjoy investment which may lead to a spike in income for example.</p>
Capital Investment to be based on agreed factors.	<p>As described previously establishing an equitable factor could be complicated and will be subject to audit on a regular basis as micro economies change. It further attracts a further process to finances and budget setting.</p>
Capital Investment to be shared equally	<p>It is reasonable to share capital investment equally based on the issues raised in sections 2 and 3 of this guidance. Agreement and an ongoing strategy from each authority will be easier to establish if costs are equally shared. Equality of costs = Equality of input. Capital investment should establish a saving for the business over a prescribed time period which, as a result, will lead to savings which can be factored into IT support costs and other capital investment.</p>

The following data has been considered when developing a factoring system for the delivery of costs and expenditure: -

Table 2. Factoring considerations

Factors for analysis	Considerations
Population of each Council area	The Partnership remit works with a specific service area and not a service used by all groups using a Council. The size of population within a Council does not necessarily equate to the amount of income derived through Building Regulations as high density areas may be subject to greater competition meaning a smaller proportion of work is won. There is some correlation to base proportional costs and revenue based on population but application data and area also need to be considered to give a rounded picture.
Workload – Number of applications	The number of applications gives a good indication as to the workload of each organisation. Although this needs to be considered it should not be in isolation as it does not account for the complexity and size of a project and what is required to resource it.
Fee income	Fee income is key in establishing what each service will contribute to the partnership in terms of resource. It should be noted that with a cost neutral budget on the fee earning accounts that the amount of resources being supplied into the partnership will be balanced with the staff allocated in each district and so therefore equilibrium of income and expenditure is retained irrespective of where any building project occurs.
Number of staff entering the partnership	Each Building Control Unit will have a specified number of staff coming into the partnership. It should not be the case that this is factored into any agreement as this becomes historic data after when staff are TUPE'd and the Partnership comes to fruition.

Area Hectares	As mentioned above, Authority size (Hectares) cannot form a factor singularly but should be used in calculating an overall factor as travel time, remoteness and dead time contribute as a cost servicing an application.
Redundancy Costs formulated on each Council's terms and conditions	<p>3 of the Councils identified have a 3x multiplier on redundancy costs whereas West Somerset District Council has a 2x multiplier on redundancy costs. Redundancy costs for all staff should be: -</p> <p>SDC - Cost incurred = 3x1/11 of total costs</p> <p>MDC - Cost incurred = 3x1/11 of total costs</p> <p>TDBC Cost incurred = 3x1/11 of total costs</p> <p>WSDC Cost incurred = 2x1/11 of total costs</p>
Redundancy Costs based on current complement of Building Control Staff.	<p>Formula: Total number of Building Control staff in each LA x 1/Total Partnership complement = fractional split.</p> <p>This formula does not take into account redundancy terms from each Council.</p>

6.0 Recommendation for the treatment of redundancy costs.

In consultation with each Council's Human Resources departments the Building Control Managers recommend that Redundancy Costs should be based on the terms and conditions relative to each Council.

APPENDIX H

BUSINESS DEVELOPMENT

The business will need to address a declining market share whilst experiencing increased competition through all the market sectors in which it competes. None of the Partners wish to see the managed decline of a Building Control Service to a business where only non-desirable sectors of work are available and statutory function management is the cornerstone of the business. This would present a service, not a business, which is an expense for each Council to run.

The Partnership will need to provide a comprehensive marketing plan that addresses the key functions and fundamentals of the business, along with identifying the tools it has, and requires, to build a successfully branded business. This will be built on what measures the organisations currently identify and undertakes; and what the business has identified is required as a product that its customers require or want. Currently each individual Building Control unit markets its services with support from National and Regional LABC and understands the market within which it operates. However, there is recognition that moving forward the new business unit will require additional expertise to help it develop and realise its full potential within the marketplace

Generically the actions can be identified as follows and will be the bases of the marketing plan going forward: -

Vision

To provide an efficient cohesive partnership offering expertise, flexibility and Professionalism in the administration of the building control function to all members of the community

Objectives

- To improve customer satisfaction by providing an effective and efficient administration and site inspection regime in particularly through improved use of information technology and communication
- To raise the profile of Partnership by developing a dynamic marketing strategy and pursuing the expansion of the Partnership through additional partners.
- To provide additional services through a consultancy to generate additional income.
- To continually review contributions by partner authorities to reflect reductions in expenditure.

Strategy

In order to be successful, the following strategy is to be adopted:

- To increase the profile of the Partnership to all existing and potential customers, with particular emphasis on developers and architects.
- Develop a competitive advantage through service provision.
- Through excellence in service provision turn customers into champions of the local service.
- To build and strengthen our liaisons with local professional and trade bodies, and establish a comprehensive database of customers, identifying and developing contacts within the industry.

- To develop and improve communication to our customers, keeping them continually informed and aware of developments and improvements to our service.
- To ensure closer working relations within the region and with the National Business Development Team.
- To successfully promote national initiatives and the 'added value' benefits to be gained by using LABC.
- To develop a marketing and advertising campaign, whilst taking into account customer feedback.
- To work to ISO 9001 principles and frameworks.
- To utilise the knowledge developed through the Customer Service Excellence accreditation scheme.

Action Plan

- Develop a comprehensive marketing strategy and customer charter
- To keep our customers informed of service and regulatory developments and solutions through the provision of a regular newsletter, technical seminars, guidance notes and advice.
- Through direct day to day contact with customers the team will further promote the latest service, regulatory and promotional developments and initiatives within building control.
- To actively promote and encourage 'partnerships' with architects etc.
- To produce an updated range of customer information leaflets.
- To work within the guidelines of the published Building Control Performance Standards
- To formally establish the Development Team Approach across all authorities utilising the existing internal links with other regulatory areas involved in the construction process i.e. Development Control
- To promote the 'added value' of the Building Control service through the 'development team' approach and complementary services offered by commercial partners.
- Establish a local user group of regular customers.
- To continually evaluate and improve the service in line with customer needs identified through satisfaction surveys and user groups, together with developments in national best practice and benchmarking.
- To educate, train and develop staff through Council development programs and CPD processes to ensure they are trained to the highest level and able to pass this knowledge on to our customers.
- To continually improve access to our service through development of IT systems.
- To maintain and build on contacts with local, regional and national marketing strategies to ensure co-operation and co-ordination and to facilitate exchange of market intelligence and information.
- To maximise contacts with key building control decision-makers in major developers, architects, contractors and householders.

Increasing market share and expanding the business

In order for the partnership to expand its business, a number of factors need to be understood as well as number of actions undertaken to give the business the opportunity to succeed and flourish. To succeed and flourish, which should be exceed performance beyond that of achieving the status quo and achieving budget forecasts, requires the organisation to be far more aggressive in its marketing and branding than any of the Partners joining the organisation have been able to achieve individually through their own marketing plans. The Managers steering the organisation going forward will need to develop the business around the following factors: -

- The Building Control environment and legislative background needs to be understood by the staff, Partnership Board and Councillors so that opportunities and threats can be identified along with the business reflecting and understanding its strengths and weaknesses.
- The current marketing position has to be understood by all stakeholders.
- The sectors forming the Building Control market need to be understood, along with the market position of the organisation within these and the level of competition within each sector.
- The organisation needs to market itself and provide a service to each Building Control sector relevant and relative to each customer's needs.
- The price elasticity of each sector needs to be established so that the business can address competition compete within each sector.
- A marketing plan with clear measureable goals will be required for the Partnership. The proposed strategy will address 'What and Why and When and How and Where and Who' in order to maximise business opportunity and clarity, understand our customer base and how we effectively market to them and service their needs.

Marketing to our customers

Users of the service can be identified as follows: -

- Internal customers (Internal stakeholders our staff, internal departments, Councillors, staff delivering the service).
- One off users – the public (Those with no or little experience of the service or Building Control marketing sectors).
- Current Partners and regular subscribers (Business that are familiar and happy with our service.) (Repeat users)
- Architects and Agents (Local to the business – those who may see the advantages of using a local service but are apathetic to using the service against that of a competitor)
- Aggrieved users – Those who have used other Local Authority statutory services and feel reluctant to use further Local Authority service.

- Customers currently using other services having formed professional relationships - Architects, Agents and Builders that currently use competitor services for every project for which they are involved irrespective of any level of marketing aimed at them.

Identifying market sectors

Market sectors can be broken down in a number of ways. In order to increase market share the Marketing Plan should identify targetable sectors and even targetable businesses. Sectors could be multifaceted and may cross each other but targeting specific sectors will allow business growth to be measured and successes realised. Some sectors will be safer than others with regard to securing cost recovery of services and may naturally attract higher fees than others. The marketing plan will need to identify the sectors where business success can be maximised with regard to securing fees against resources used, but also accepting that these will also have the highest levels of competition. Sectors should be increased beyond those already used to fully understand what to target, who to target, when marketing is required, how much lead in time is required, and how to market the service in respect of media and which facet of branding to use. Sectors need to be understood and may include: -

1. Domestic alterations
2. Domestic extensions
3. Domestic controlled Service and fittings
4. New dwellings (Single dwellings)
5. New dwellings (Small sites)
6. New dwellings (Large sites)
7. Rooms for residential purposes (Boarding houses, HMOs and Hotels)
8. Schools and Educational Establishments
9. Works involved in a change of use
10. Industrial Buildings (Single units)
11. Industrial Buildings (multiple units)
12. Industrial Buildings (Office fit outs)
13. New commercial buildings
14. Commercial alterations
15. Regeneration schemes
16. Council and County Council controlled works

In order to maximise opportunity the control over who is influencing and making contracting decisions will be key, i.e.: - Builder led, Home owner led, developer led, business led, insurer led, Architect led, shop fitter led, facilities management led, Government led.

Business Branding

In order to maximise income and market share the new business needs to satisfy all potential customers needs and branded accordingly. (This will require buy-in from elected members)

Perception of the business and its ability to provide a service that the customer needs is essential to securing business. The business needs to deliver the following branding and profile to provide this: -

1. Local users may require a personalised service. This falls into two categories: -

- Those seeking the reassurance of using a public and genuine third party. (i.e. The Local Authority)
 - Local builders and agents who have developed a professional rapport with specific individuals and seek to maximise efficiency and effectiveness through trust and the willingness of a staff member to assist them whenever possible.
2. Those seeking a responsive and professional business through the Local Authority or Local Authority Partnership Scheme that can meet their needs wherever there projects are located.
 3. Those seeking a cost effective minimum service with a limited inspection regime.
 4. Those seeking an inspection regime extending towards a Clerk of Works role in order to assure good building practices are achieved on site.
 5. Those seeking to use a responsive and professional business which is not associated with or provided through a Local Authority. (i.e. An Approved Inspector or Private Sector Building Control provider)
 6. Those seeking a service that can also provide a package of 'bolt on' services such as Home Warranties, SAP calculations, EPC's, Water Calculations, Fire Risk Assessments and the production of Fire Safety information or Fire Engineering approaches to design. A business that can become a valued member of a design team or a business that can provide surveying services that fall outside of Building Regulations.
 7. Those who have been through the enforcement process but where an opportunity exists to build a professional working relationship. I.e. Through the Regularisation process or from the result of a rejected Initial Notice.

A marketing plan can address a number of these customer needs, making the business fit for purpose, and seeking to provide other profitable services where a business case has demonstrated that a need exists. Reversing the decline in market share will be difficult but as a Partnership an opportunity exists to maximise the impact of the collaboration of Councils. The Partnership can seek to brand itself in the following ways: -

- Individual Local Authorities working together for those who seek the assurance of a Council run Building Control department.
- A Local Authority Partnership embracing the flexibility and resilience created from the Partnership and utilising the LABC brand and Partnership Scheme to maximise workload.
- A Partnership that seeks to minimise its relationship and association with its Local Authority to attract business from those who do not wish to use the Local Authority Service. (Purely achieved through branding, i.e. letter heads, emails and website branded as a Partnership.

This may assist with increasing market share but will not attract customers that seek to use Approved Inspectors. There are several reasons that customers may choose this route, common factors are as follows: -

1. Council bureaucracy, the perception that the Council will cause a project to incur unnecessary costs or time delays. This may have occurred as a result of a customer having been through the Planning process for example, or from previously having a bad experience from a Local Authority Building Control provider. It may also be a perception that is unfounded but communicated by external competition.
2. The perception that a Council is less responsive, less productive and less efficient, less flexible in terms of servicing work and interpreting fit for purpose standards than its competitors.
3. The inability for a customer to sue a Council where performance standards have not been met. The Council has limited liabilities in comparison to Approved Inspectors that are private companies. This has been the case with larger retail stores reluctant to use LABC services, requesting that AI status be gained by specific Councils in order to continue working relationships. (Cited by Birmingham City Council).
4. The ability of an AI to form relationships and develop specialism's based on specific work sectors and utilise these skills and relationships without boundary restrictions.
5. The ability of an AI to aggressively market for work outside of a Council boundary. This creates a greater market in which to win work.
6. The ability to provide other services and market services as a 'one stop shop'.

Although some of these factors may be unfounded the perception exists despite marketing to the contrary. If the Building Control Partnership wishes to maximise the opportunities available in a recession free market it will need to consider and seek the approval of members to become a limited company with a view to gaining Approved Inspector status.

The marketing plan for the Partnership will need to address that to gain market share and expand as a business it will need to be aggressive and innovative in its marketing model, relationship building and networking. Gaining Approved Inspector status will remove any business barriers to undertaking work in any areas of the country, any sectors and with any potential customer. The Partnership will need to accept that adequate resource should be set aside to achieve the marketing goals set out in the marketing plan. These resources should be accounted for beyond the day to day operations of the Building Control partnership.

The proposed Partnership staffing structure has been created so that two distinct areas of business delivery are deliverable through it. The roles and responsibilities dictate that the Building Control Partnership Manager develops strategy with specific attention given to business development; they have the resources of the Administration Manager/Business Development Assistant and their allocation of staff to ensure that a Marketing Strategy can be delivered. It may also be the case that the Building Control Partnership Manager utilise marketing specialists to assist in this process, particularly in the

development of the Partnership. The Building Control Operations Manager has the responsibility of retaining customers through efficient and effective operational management of staff and the delivery of a service that satisfies the complete customer base of the Partnership. It is perceived that this structure, essentially that of developing work and market share and that of doing work and delivering services, will allow adequate resource to brand the partnership and aggressively market its services. It should further allow the Partnership to develop an innovate and robust but deliverable Marketing Plan which will take the Partnership from inception through to expanding the business by gaining customers outside of our common Council boundaries.

It is essential that any marketing plan considers the option of Approved Inspector status in the future through a remote business arm in order to increase market share and to halt the management of decline. The Partnership will need to develop an ethos of aggressively marketing its services in order to maximise the opportunities available to grow the Building Control business over the short to medium term. The Partnership will require Board approval of its marketing plan and the support of the four Councils in this process.

APPENDIX I

Introduction

It has been agreed by the Building Control Project Board for the partner authorities that the proposed Building Control Partnership should be hosted by one authority, meaning that one of the partner Councils becomes the employer for the employees of all Councils within the Partnership. The Project Board has agreed that Sedgemoor District Council host the proposed Partnership.

Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

The Transfer of Undertakings (Protection of Employment) Regulations 2006 have been amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014. The latter applies only to transfers that take place on or after 31st January 2014 and therefore will apply in this instance. TUPE applies in the case of service provision changes, where a new authority takes over the activities of a client authority, in this case Building Control. For TUPE to apply the activities being done before and after the transfer should be “fundamentally the same” and the roles that transfer should be linked to the delivery of Building Control Services for each client.

Broadly speaking the effect of the above Regulations is to preserve the continuity of employment and the terms and conditions of those employees who are transferred to a new employer when a TUPE transfer takes place. This means that employees with a contract of employment from one authority retain their contractual salary, terms and conditions from that employer when they transfer to the new employer. This will include local agreements in force at the date of transfer.

There will inevitably be some discussion to be had with the union representatives and employees about what constitutes a contractual term versus a non-contractual term of employment. The new employer cannot impose changes. The changes must be agreed with the employees and their representatives. The Regulations provide some limited opportunity for either the outgoing or the new employer to vary the terms and conditions of employment contracts in certain stipulated circumstances even though the sole or principal reason for the variation is the transfer. The employer may vary terms and conditions where the sole and principal reason is an economic, technological or organisational (ETO) reason entailing changes in the workforce, provided that the employee is in a no less favourable position and both parties agree the variation, Further where the changes are entirely positive from the employee’s perspective, they may also be agreed without breaching the Regulations. However the harmonisation of terms and conditions may not be proposed as an ETO reason.

The partner authorities recognise that the partnership model involves a change in service provision and the creation of a single organised grouping of staff and TUPE is considered to apply to the transfer of Building Control activities and organisation from four client authorities to one host authority.

Should the joint partnership model be dissolved for any reason then staff would transfer back under TUPE to the partner authorities.

As TUPE is an event on a given day, namely when responsibility for the business activity transfers, rather than a process over time, the Building Control Project Board in consultation with affected employees and their unions, will determine a date upon which the transfer from one Council to another will take effect. The preferred date at this point is 1st July 2015

Member approval for the formation of the Partnership is being sought towards the end of March 2015 in all four Councils. The collective consultation obligations under TUPE require consultation to take place

'in good time' ahead of a proposal to transfer and January has been set aside for this to happen. Assuming a decision to proceed is granted by the end of March the timetable will reflect a further period of consultation by both the outgoing and future employer/s on the TUPE implications for affected employees. A period of approximately two months would be appropriate for the latter consultation.

Organisational Structure

The business model for this Partnership is based on bringing together the management and delivery of building control services to achieve economies of scale, improve the service to the customer and increase resilience and flexibility in the face of aggressive competition from the private sector for both fee-earning work and staff. By delivering savings the Partnership may be in a position in the future to reduce fees to customers, thereby becoming more competitive in the market, essential to its future survival.

The Project Team has provided a proposed organisational structure, page 14 of the Business Case along with draft job summaries for the posts in the new structure, page 15.

The new posts are titled as follows:

Partnership Manager (1)

Operations Manager (Deputy)(1)

Senior/Building Control Surveyor (8)

Assistant/Trainee Building Control Surveyor (2)

Administrative Officer (1)

Administration Assistant (3)

These are new posts within the structure that are broader in scope and responsibility than the existing Building Control Manager and Area Manager posts. It is therefore proposed that the two posts be ring fenced to the four existing Managers (including one Area Manager) in the first instance. The successful candidates will be appointed on Sedgemoor's terms and conditions including the appropriate salary scale, subject to job evaluation.

Unsuccessful candidates for the management posts will be consulted on their options, but it is expected that the difference in grade between the management posts and the technical level below will be more than two grades and therefore would not constitute "suitable alternative" employment. In the event that there are no suitable alternative posts then the post holder would be put at risk and alternative posts considered within their originating authority and subject to agreement, across the partner authorities, failing which the employee would be made redundant. .

NB. If the sole and principal reason for making the employee redundant is the TUPE transfer then it would almost automatically be deemed unfair by an employment tribunal. However if the organisation is able to demonstrate that the employee is redundant by reason of an ETO issue (see next paragraph) that entails changes in the workforce, i.e. a reduction in the numbers of staff employed or a change in office location) and provided that the employer has followed a proper process, the risk is reduced that the redundancy would be considered unfair by an employment tribunal.

Technical and administrative posts

It is envisaged that all the remaining staff will transfer under TUPE and retain their existing salary with associated contractual terms and conditions.

As the proposal is for the host authority to be Sedgemoor District Council some work has been undertaken to consider draft job descriptions and person specs, although these are by no means final versions and therefore remain subject to consultation and job evaluation.

Staff Reporting Arrangements

At Sedgemoor Group Managers have overall responsibility for all operational services. Therefore the Partnership Manager will report to the Group Manager with responsibility for Building Control, for the purpose of all line management matters, but will report to the Building Control Partnership Board on the Partnership's performance, targets and future direction.

The most significant impact of the proposed structure is on the number of posts. 16 in total against an existing staff complement of 21, excluding contractors, across the four authorities. Over the past year as vacant posts have arisen, they have either been kept vacant or filled temporarily with agency staff/contractors to mitigate the impact of any proposed reduction in the number of posts.

The chart below is taken from page 13 of the Business Case and reflects the proposed reduction in posts versus the existing establishment book.

Post Level	Existing Establishment	Proposed Establishment	Resource Saving
A. Building Control Managers	4	2	2
B. Principal	1	0	1
C. Building Control Surveyors (incl 1 x Senior Role)	11	8	3
D1. Assistant / Trainee Building Control Surveyors	2	2	0
D2. Admin Manager/Systems Administrator	7	4	3
Total	25	16	9

Within the existing establishment figures (shown in the table above) are 4 posts that are either being held vacant, filled temporarily by a contractor or covered within existing staff resources. This means that the actual impact of the reductions on the existing employees across the partner authorities is mitigated somewhat, i.e. it is effectively a reduction of 5 staff.

Terms and Conditions of Employment

Each authority's adopted job evaluation scheme and pay scales vary, resulting in some differences in pay and locally negotiated terms and conditions between posts with similar responsibilities. It is proposed that staff be given two options,

- To retain their existing contractual salary and terms and conditions on transfer and for non-contractual matters to be addressed with the unions representatives and staff and subject to their agreement
- That the host authority offer the opportunity to be employed on their salary scale and terms and conditions relevant to the post

The principle will apply that any changes to terms and conditions should result in an overall no less favourable position for the employee.

As far as the financial assumptions are concerned I understand that the staffing costs have been budgeted at the highest cost of employment (salary and staff on-costs) across the partners, which should ensure that any changes are catered for, with the exception of any one-off severance costs, incurred on transfer. .

TUPE Terms and Conditions and Harmonisation

Under TUPE Regulations, existing contractual terms and conditions, including those subject to local agreement, transfer with staff to the incoming employer and they remain the same as they were with the outgoing employer. Following a TUPE transfer the incoming employer may seek to change terms and conditions, however the when, how and if changes can be made is complex and there is still a potential risk of a claim for constructive dismissal. Changes to terms and conditions if the sole or principal reason is the transfer are not permitted under the Regulations. However after 31st January 2014, certain changes may be valid. Employers can negotiate a change to terms and conditions in local collective agreements after 1 year providing the change is not less favourable to the employee.

Historically employers, especially in the public sector, tended to steer clear of any attempt to harmonise terms and conditions unless they can afford to do so by paying at the most advantageous rate amongst the respective employers. Where terms and conditions are not harmonised there remains the potential for a challenge under Equal Pay legislation.

The project team have asked whether it would be possible to incorporate Saturday and Sunday working as part of the standard contract of employment. I have advised that this could potentially be included under the ETO reason, as there will be changes in the number of the workforce and it can be argued that the change is necessary to compete with similar working patterns in the private sector. .

It is likely that there will be minor variations within the different authorities' contractual and non-contractual terms and conditions of employment, such as mileage rates, essential user status etc. along with aspects such as staff parking and these will need to form part of the consultation exercise with staff and unions. It is not permissible to undertake a total harmonisation of terms and conditions as part of a TUPE transfer and this may only be attempted in the future for a reason not related to the transfer.

Economic, Technical and Organisational (ETO) Reasons

Where an ETO reason is argued it must relate to the future conduct of the business, as above.

Economic Reasons - The partner authorities consider that if the new structure does not seek this level of efficiency savings the future existence of a Somerset local authority Building Control Service undertaking anything other than its minimum statutory responsibilities is in serious question.

Technical Reasons – A significant change in work processes, introduction of new systems or technology requiring a reduction in the numbers of staff employed.

Organisational Reasons - There is a duplication of management and administrative structures, which, it is proposed, will be streamlined to provide a unified structure operating from one location. A change in workplace location is therefore going to impact a significant number of staff across the partner authorities, which for various reasons may prove impractical for the staff concerned. This will become apparent when the one to one consultations with affected staff take place.

On the positive side the restructuring and unified management of the service is expected to create increased capacity and resilience within the service which is currently an operational issue in two districts.

A reduction in the number of posts will likely result in some dismissals, which the partners consider to be potentially fair reasons for dismissal under TUPE as they are deemed to be ETO reasons entailing changes in the workforce. Where the reason for dismissal is an ETO reason, the dismissal will be potentially fair, however the law of unfair dismissal will apply and it will be for the employer to show that it has acted reasonably in relying on the reason to make the dismissal.

In order to mitigate the impacts of the proposed restructure the partner authorities will work together to try and minimise the need for compulsory redundancy. Voluntary redundancy will be offered in line with the employee's current terms and conditions to avoid the need for compulsory redundancy where this is required.

Any employee who does not wish to transfer employer or relocate to a new workplace has the right to object to the transfer. However if they are unable to find an alternative role within the present authority they are placing themselves in a vulnerable position. They are not considered to be at risk of redundancy as their post will transfer and therefore their employment simply comes to an end on the date of transfer as if they had resigned. They will not be redundant.

Office Location/s

Building Control staff will remain located at their existing base for the first year, during which period systems and processes will become integrated, followed by an integration of all functions and offices at Sedgemoor from year 2. If an earlier integration is possible it is preferable from an HR perspective. The new team can form as one unit at the same time, any disruption to staff on account of the change in office location is contained to one point in time and the protections that will be granted for the difference in travel to work distances will all take effect from one date. The Surveyor function is most suited to a combination of home working/travel to site pattern of work, provided this can be supported by the relevant IT equipment.

Information and Consultation Requirements

Both incoming and outgoing employers must consult with affected employees about the TUPE transfer and any measures they intend taking, regardless of the number of employees affected. This also includes colleagues of those who will transfer and those who will work alongside the newly formed Building Control Partnership in the incoming organisation.

Consultation should be meaningful and commence before any decision has been taken to proceed with the Partnership and TUPE transfer. UNISON is being consulted formally on the proposals and any measures that need to be taken will be discussed and agreed with them.

The draft timetable which provides more detail on the outline consultation requirements, will be published in due c. The number of meetings to be scheduled will depend to some extent on the issues raised and a requirement to agree measures with union representatives and employees. .

Taunton Deane Borough Council

Executive – 11 March 2015

Funding request from Creative Innovation Centre Community Interest Company (CICCIC)

Report of the Assistant Director Business Development, Ian Timms

(This matter is the responsibility of Executive Councillor Norman Cavill)

1. Executive Summary

The report relates to a request for funding from the Creative Innovation Centre Community Interest Company (CICCIC).

The funding would enable the centre to provide sector wide support to the Arts and Creative industries in Taunton Deane. This will be achieved through providing a sustainable centre that supports activities and projects.

The funding request is for a total of £60,000 to support the CICCIC over a three year period. This is broken down into £20,000 per annum and will support a range of activities and projects in each of the financial years.

Executive are asked to consider the request and make an appropriate recommendation to Council.

2. Background

This report relates to a request for funding of £20,000 to support the Creative industries sector in Taunton Deane from the Creative Innovation Centre Community Interest Company based on Paul Street, Taunton for the financial years 2014/15, 2015/16 and 2016/17.

As Members will no doubt recall, the CICCIC is a non-profit organisation that encourages the participation and development of businesses and the creative industries; for practitioners, groups, individuals, businesses, start-ups and the local community. Through knowledge exchange, music, art, heritage and performance its events and workshops focus on the diversity and growth of enterprise, community and culture.

Therefore whilst currently based in Paul Street, Taunton the organisation itself provides wide support to the diverse businesses within the creative industries.

This support is complemented by support for cultural activities both on site and across the community.

The projects and general benefits of providing the funding are outlined in Appendix A of this report.

The request was initially considered at Corporate Scrutiny Committee in December 2014 and then by the Executive in January 2015.

Feedback from Corporate Scrutiny

The Committee had a comprehensive debate around the application at their December meeting. Specific issues raised were:

- Whether the application ought to have been dealt with through the Voluntary Sector Grants Panel.

This was explored at the Scrutiny meeting and members were advised that the application was being treated as requiring support through the Economic Development Budgets.

- What was the Council's overall stance on the Arts and Creative sector and how could Members judge the application against that approach? Members of the Committee were unclear on how these applications fitted into that.

This feedback is being addressed by the inclusion of a specific point in the recommendation to executive that requires a report which will assist the council to evaluate its overall support for the sector.

- The Members of the Committee felt the application required further financial information would need to provide its accounts in order to be considered as part of any approval process.

It should be noted by Executive that this information has now been provided and examined in line with the recommendation of Scrutiny Committee.

- The Members of the Committee broadly supported the application but not unanimously. This was subject to the Executive being provided with further financial information as noted above

This has been addressed as outlined in the next section of this report.

The specific recommendation to the Executive as made by the Scrutiny Committee was:

Recommended for approval for 2014/15 only, subject to accounts and an appropriate Service Level Agreement being agreed with officers.

Further Review of funding request

At their meeting on 15 January 2015 the Executive took into account the points raised at Scrutiny as part of their debate. Executive instructed that further examination of the business case should take place before any further formal consideration of the request occurred.

In line with the instruction this examination of the business case has been carried out. This was done by the finance team in conjunction with the business development team. This included a visit to the CICCIC by officers to review a range of points raised by councillors at the previous executive meeting. The answer to these points is attached as appendix B of this report directly from the CICCIC. Members will note that the applicants are of the view that the Council's funding *"...would create a robust platform for transition from a small turnover with limited investment potential to a business which can invest in a higher volume of support/creation for social enterprises and expand the creative industries and its benefits within the community"*

The review of the business plan and the answers provided have given the Business Development officers confidence that the CICCIC is currently a viable operation, albeit operating at a relatively modest scale and with some risk attached to it. The approval of funding, with an appropriate service level agreement, would enable the delivery of a programme of services that would be of benefit to the creative industries across Taunton Deane and consequently support the economy of the area.

3. Next Actions

Executive are asked to consider the contents of this report which seek to address the points raised at Executive in January 2015 in conjunction with the previous recommendations from Corporate Scrutiny from December 2014.

Executive are requested to make a positive recommendation to council supporting this application in line with section 12 of this report.

4. Finance Comments

The Finance team have examined the accounts and the responses included within the appendices of this report. In summary they believe that "the Business Case and first year accounts suggest that there may be a liquidity issue. Assumptions have been made about grant receipt which are not yet confirmed. Even with these grants being awarded the cash position is weak and it may be some time until the organisation breaks even and is in the position to reinvest".

If Executive were minded to approve the request there may still be issues even if lottery and other grants are achieved.

As a general point there is currently no budget available to fund this request, therefore the allocation would need to be funded through a supplementary

estimate from general reserves There is currently sufficient 'headroom' within general reserves to cover the potential costs if supported by Members.

5. Conclusion

The proposition, if agreed by executive will lead to a range of support for the creative industries sector. The creative sector contains a wide range of business types which are not purely arts based organisations although they do form an important element of activity within the sector. Sub areas of activity for example include architecture, IT, software, gaming, music and the performing arts. The sector is a significant employer in Taunton Deane having 1600 employees (SCC 2012) who contribute directly to the economy of the Deane. This sector is by its nature innovative and as it expands the growth ambitions of the council will be supported. This proposal by the CICCIC includes a range of projects, which will for the investment of £20,000 lever in **£276,000** to the local economy. This delivery and the potential for other projects will form part of the SLA. Whilst the finance team concerns are noted this leverage and package of support for the Taunton growth programme justifies the commitment of this funding

6. Legal Comments

Any specific issues have been commented on in previous reports and addressed. As a linked matter if funding is agreed support will be given by the Legal Service in the creation of the required service level agreement.

7. Links to Corporate Aims

The contents of this report support two of the three Corporate Aims

Aim 2 – A Vibrant Economic Environment

Aim 3 – A Vibrant Social, Cultural and Leisure Environment

These proposals specifically impact on objectives 4 and 6 of the corporate business plan as they will respectively speaking increase economic activity and facilitate and support cultural and leisure activities

8. Environmental Implications

In considering the report content there are no specific implications that have been identified that would require mitigation.

9. Community Safety Implications

The CICCIC provides positive activities which engage a range of people across the community. This helps reduce the likelihood that these individuals will engage in negative anti-social activity.

10. Equalities Impact

No formal assessment has been carried out with regard to this application. However it enables access for all elements of the community to access cultural activities. There is therefore a positive benefit across all of the groupings with the equalities acts and associated legislation.

If specific issues are identified through the allocations then full assessments will be undertaken and appropriate remedial actions taken.

11. Risk Management

No specific issues have been identified that require a detailed assessment associated with the content of this report.

12. Partnership Implications

The application relates to support for an entire sector of economic activity in Taunton Deane. The funding should lead to strengthening of the Arts and Creative sector so would support wider activity that will be beneficial economically to the area.

13. Recommendations

That the Executive recommend to Full Council the allocation of £20,000 to the Creative Innovation centre (CICCIC), Taunton, from General Reserves with the purpose of supporting the development of local businesses in the Creative industries sector. The award of a grant to the company will be subject to the following conditions:-

1. The company enters a Service Level Agreement with the Council to deliver the outlined services for the year 2015/2016.
2. The Company furnishes the Council with a report into the size and extent of the creative industries sector in Taunton Deane, and the support needs of that sector.
3. The Company`s accounts are submitted on completion of the SLA to a suitably qualified, independent advisor to validate the use of the funding.

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Appendices

A Executive response CICCIC – Outline of projects and benefits

B Response to specific points raised at Executive from CICCIC

Appendix A



Ref: Taunton Deane Borough Council
Executive Group Meeting Response

We would like to thank the members of executive for considering the proposal recommended by the economic development team and scrutiny panel for a service level agreement to be awarded for the Creative Innovation Centre CIC (CICCIC).

CICCIC is the only Creative Industries business support organisation in Taunton Deane and is now the leading provider of cultural events within Taunton producing over 120 cultural events each year. Each event produces £200-£1200 income for the business and now entering its 3rd year its Community Interest Company (CIC) status as a non-profit organisation is set to deliver more events and community projects for Taunton. Details of these are listed in the 'Business Development' brochure given to TDBC and is the main reason why we are asking for £20k funding. The funding from TDBC also means we can attract match funding for these projects from organisations such as the Arts Council and National Lottery. These include

1. Creative Sector development report for Taunton Deane
2. A community café connecting to health and wellbeing activities and job creation
3. Borough wide Taunton Deane WW1 Centenary heritage and education project
4. Digital Innovation Gallery in cooperation with 2 European countries
5. Business incubation and business start-up services
6. Creative and Cultural development research in association with Somerset & Huish colleges
7. Creatives Club that supports over 90 practitioners
8. Somerset blues and jazz festival to be housed in Taunton

As with the Hestercombe funding application this will provide significant economic benefit to the area and create leverage to significant match funding estimated at over £276K, e.g. we cannot obtain Arts Council funding unless we can show that our local council shows some commitment to by also funding us. It will increase audience participation and social benefits provided by the CICCIC community enterprise programmes (presently at 10% based on 10,000 footfall in 2014 against population of 100,000) by an estimated 30%. This investment and growth will also create capacity for us to maintain the services which it currently provides to the communities of Taunton Deane and its cultural provision to the tourist trade. This shows real value in terms of return of investment.

The £22,000 assets owned by the company is also locked by law, which means they stay within the community and cannot be removed or sold by directors of the company. In addition to this the present directors have invested over £45,000 into the company and investment continues as it develops more cultural events and business support services.

In two years CICCIC has also helped the creation of over 20 new start-ups which range from new artists who now generate income from their work, a social enterprise, 2 design companies and other creative industries organisations.

The company has no debts and its cash flow forecasts show a significant increase in turnover and job creation as new projects are added in the next two years. Professional fees in the cash flow are increased as these are fees paid to the directors for running projects but the directors do not take a salary from the business.

CICCIC also plays a large role in the community including helping with the reopening and business plan for the Brewhouse, its directors are instrumental in creating and delivering all Arts Taunton objectives and supports over 10 community groups and organisations including the only creative support network in Taunton.

CICCIC has also raised over £10,000 for local and national charities in 2014 and donated £27,000 in venue use for community organisations.

CICCIC is a robust business and its request for funding is to assist us in delivering all the above and to help obtain funding from other streams.

Kind regards

Directors CICCIC

Appendix B

Points raised by the Executive:

Context: The Directors of the CICCIC were asked by the scrutiny meeting to provide a business plan illustrating their future plans to help inform the members of the Executive.

It was noted at the Executive meeting that certain details of the business plan required further explanation and without the opportunity of interpretation with its authors, additional annotation would be needed to clarify these aspects of the document.

The following comments provide further clarification and are based on the points raised by the Executive:

1. Definition of the aims and objectives of the Creative Innovation Centre Community Interest Company

Defined in the Creative Innovation Centre Community Interest Company 'Articles of Association' the organisation is focused on a wide range of creative, cultural and business support services for the benefit of the community it serves. As a not for profit 'social enterprise' all profits are invested back into the community via services and projects CICCIC provides to the community. All physical assets are locked and in the result of the business ceasing to trade these assets would be rehoused at another charity or community interest company locally. Its purpose is the same as a charity but without trading restrictions a charity holds and therefore has a benefit to the community and social regeneration.

2. There were a number of anomalies highlighted in the cash flow forecast:

The business plan submitted to the executive highlights the not for profit nature of a Community Interest Company and therefore base line totals only show low profit margins which are reinvested to support the operating costs of the business. We are aware that the cash totals submitted in our cash flow forecast were using an accumulative formula showing totals of income and outgoings on a monthly basis and were therefore creating misleading calculations in the last 2 columns, which were annual calculations and not final amounts. We have now taken these columns out to show a more representative illustration of our cash flow and patterns of business turnover so as not to create confusion.

Rent increases are based on our lease agreement with the United Reformed Church which show an increase in the year Aug 2014-15 of £3500 a quarter. This is the final rental figure based on our 3 year tapered rental agreement with URC. We have a 5 year lease that continues in units of 5 years and presents no issues for the continuance of the business and security is assured. At present CICCIC is obtaining a Community Right to Bid on the building and investigating finance to buy the building.

The drop in rates are based on an agreement with TDBC revenue service and illustrate a payment plan which we negotiated to pay off existing arrears on our account. This will normalise in April 2015.

Gas and electric costs seem to vary? These fluctuations are due to seasonal variation and as CICCIC is a large hall the cost of heating increases considerably in late Winter. There was an anomaly in the March 2014 column which was mistakenly pasted in from the March 2015 column. This has now been rectified. It is predicted that utility usage will increase in March 2015 due to the proposed development of a community café being in operation.

Costs of catering rises considerably. Though this was raised by a councillor it relates to the income column in the spreadsheet, which is for the refit and stock required for a new community café. Therefore this high rise is for stocking the community café with new stock and products to ensure the café has the products to serve customers.

Professional fees in March 2014 column illustrate a project which we are hoping to be awarded by the Heritage Lottery. We have also listed all our predicted funding based on our recent grant applications. Obviously these are hypothetical until we have confirmation of these grants being awarded. Professional fees are aligned to the grants being received and show our time in delivering the projects. The directors do not take an income from running and operating CICCIC but do have to earn through these projects.

All future development proposals are listed in our 'business development' document submitted to the scrutiny committee and included in the executive meeting notes 15.01.15

3. Further explanation of the needs for the funding and how this will support the sustainability of the business.

The sum of £20K required by our non-profit Community Interest Company is to support business growth, assist in delivery of community projects and to allow CICCIC to invest in additional revenue streams as documented in the business development paper previously submitted to the scrutiny committee (App A in the executive meeting notes 15.01.15).

We are requesting £20k funding per annum (over the following 3 years) in order to sustain our financial viability and investment in business growth and seek to match the funding. This would create a robust platform for transition from a small turnover with limited investment potential to a business which can invest in a higher volume of support/creation for social enterprises and expand the creative industries and its benefits within the community.

The business development paper (app a in the executive meeting notes 15.01.15) shows that we will be using this funding to drive our social enterprise towards financial sustainability. With a review each year we believe we will be in a better position to identify if further funding is required i.e. the investment from TDBC is reduced proportionally to the social enterprise business turnover and the positive contributions it makes to the local and social economy.

We are very positive that our plans to extend our business model and to drive more sales to support our work in the community and create financial sustainability will be achieved.

To put things simply, our request for funding is to not pay for a building or assist us in ongoing costs but to assist us in developing and supporting the creative sector within Taunton Deane as well as supporting us to deliver multiple projects that benefit Taunton Deane, its community, economic development within the creative sector, arts, culture, enterprise and heritage.

4. Employees:

The job creation numbers highlighted in this section of the business plan reflect the investment and development of the community café and the increase in day to day operations of CICCIC. This will be created by the additional income streams created by funding. These do not however illustrate the increased economic benefits and local job creation created by the expansion of our business support services.

Introduction

Creative Innovation Centre CIC is a non-profit organisation that encourages the participation and development of businesses and the creative industries; for practitioners, groups, individuals, businesses, start-ups and the local community. Through knowledge exchange, music, art, heritage and performance our events and workshops focus on the diversity and growth of enterprise, community and culture.

As part of our business growth we have several projects that benefit the Taunton community directly and provide outcomes related to social regeneration, enterprise development and community cohesion.

As a social enterprise with social entrepreneurs at the helm these projects support many individuals, groups and the whole creative sector, and supports our application of a £20,000 grant from TDBC which can then be used to support all this and future activity and for the betterment of our communities and businesses. To date we have:

- 6000 community members have got involved
- 2000 16-24 yr olds have found something to do
- 720 businesses have passed through our doors
- We have supported over 130 artists
- Supported over 45 designers
- Worked and supported over 12 community orgs
- Supported over 95 musicians
- Provided business advice to 20+ start-ups
- Donated 5200 hours of labour
- Exhibited over 400 paintings/sculptures
- Provided 20 business related events
- Delivered over 135 music events/gigs
- Donated 780 venue hours for community use
- Delivered over 45 workshops
- Created 3 new community organisations
- Became a Social Enterprise Qualification centre
- Recognised by National Skills Academy for Creative & Cultural Skills & Design Council

As you can imagine is hard to squeeze in everything we do but every week we have new visitors commenting on how Taunton needs a place like CICCIC.

What We Do

We've delivered many services, events and support from the enterprise, community and culture perspective.

Culture & Recreation

- Poetry reading and club
 - Live Jazz
- Acoustic music nights
 - Yoga
 - Dancing
 - Exhibitions
- Intimate theatre
- Creative writing for business and pleasure
 - Folk music
 - Galleries
 - Lectures
 - Creative Club
 - Art classes

Business & Enterprise

- Open Innovation Programme
- Ecommerce workshops
- Start-up and business development
- Marketing workshops
- Branding & design
- Using IT
- Social media classes
- Selling online
- Innovation Symposium
- Business model canvas workshops
- Co-creation workshops
- Somerset Innovation + Design meetings
- Social enterprise support

In the 20 months we have been trading we have also created Taunton's first Creative Club that supports 90 practitioners and from that a new organisation as evolved called GoCreate, which delivers community based elements. Local organisations that also use our space include Somerset Arts Gallery Trust, Taunton Literary Festival, TakeArt, Royal Society of Arts, Somerset Contemporary Arts Network, Fire River Poets, Creative Somerset and Stand Against Violence. We are presently working with U3A, Taunton Camera Club, Taunton Film Club and others. All reflecting the hub and creative community that we have created in the heart of Taunton Town Centre. Our application for funding from TDBC will support our existing programme and future projects as described overleaf.

Project 1: Community Cafe

CICCIC is a fantastic multi-purpose space and used for many events. These include night time events that bring music, theatre, lectures, and entertainment. We also have a licensed bar which helps support the income we need to deliver culture in Taunton.

The day time economy includes a public exhibition that people can come and enjoy art and sculpture, and a chance to talk to staff about ideas and receive support. But the seating and bar area is under utilised and could be converted to a café that meets 'health & hygiene' standards.

Therefore, it is our intention to convert the bar to a community café where profits can be used to help support our social enterprise. Once investment into capital purchases has been made and health and hygiene standards met the café will also present an opportunity for part time job creation.

The investment needed for this is around £10,000 and though we do not have this money we hope to apply for lottery funding 'Awards for All'.

Based on our projections this café project (once established) could bring in an additional £1000 a week and help towards the running and labour costs of the centre. It will also help contribute to the social side of our community and with plans to host morning music café days, where young musicians get a chance to perform, and our high tea dinner and dances for the elderly in the afternoon we can see that this café project can help deliver creativity and support the 65 musicians we have on our books and 70-80 elderly people each month.

Project 2: Taunton WW1 Centenary

CICCIC played a large role in bringing together a recent Heritage Lottery Funded WW1 project for the Somerset parish of Pitminster. Viewed by Somerset Heritage as 'one of the best WW1 centenary projects in Somerset' and attracting over 450 exhibition visitors and bringing new WW1 artefacts to light we were surprised to find out that no one has done a Taunton Deane WW1 project. Consequently, it is our intention to apply for more funding (£10k) to organise and deliver a First World War Centenary Project for Taunton.

Experience from our Pitminster project has shown that these projects create a strong element of cohesion in the community and of course helps build an archive of Taunton people and those who fought in the war. Moreover, the project will also be indexed by the British Library so future generations can find out about Taunton's involvement in the WW1.

The project entails us starting with several public events held in different wards/areas in Taunton Deane. These are designed so those with transport issues can still contribute and include:

- North Taunton
- Town Centre (CICCIC)
- Galmington
- Halcon
- Wellington
- Blackbroock/Holway
- Bishops Lydeard

At these events the public are invited to bring their stories, artefacts, images, letters and poems for scanning and photographing. Once complete they will be added to the collection.

Using our creative curation skills we will pick the most interesting for a 4 week physical exhibition at CICCIC. These and all others will be added to the online exhibition just as we did with the Pitminster project, which you can view at <http://www.pitminsterww1.co.uk/>

Working with St Mary's church a service of remembrance will be created alongside an exhibition launch at CICCIC. The project will remain online for 2 years and donated to Somerset Heritage for digital archiving.

Partner support has already been obtained by the Historical Association and we hope that TDBC and Somerset Heritage also support us.

**Project3:
Digital
Innovation
Gallery**

Already underway and taken 10 months of hard work CICCIC is finalising a Digital Innovation Gallery project with the intention of applying for £300,000 from the Arts Council and/or The Peter Hamlin Foundation. The project is costly as it involves the latest technology but once complete will be the first digital art gallery in England and will attract new audiences to art and many people to Taunton.

Our goal is to change traditional galleries and exhibitions and to extend the stay and engagement of the visitor by introducing the first digital gallery with its home based at one of Somerset's contemporary arts centre Creative Innovation Centre CIC in Taunton.

Moreover, there are still many people in England who do not engage with the arts, galleries and exhibitions and it is our intention to change this too by moving away from exhibitions that concentrate on art groups or a single artist and to choose innovative themes that attract new audiences. Albeit that individuals and groups will still be represented.

Once set up digital galleries can also be changed with little fuss so if a theme is exhibited one week another can follow with little hassle e.g. one could have a child gallery during the day and an adult gallery during the night making exhibition space multifunctional.

Digital galleries are also ideal for digital exhibitions in museums and with the heritage industry keen to digitise archives and objects it is clear that our digital gallery can be used to bring new and interesting programming to museum's and provide more access to artefacts and extend new audiences. New audiences are a strong driver for the likes of the Art Council.

How It Works

Using over 13 large LCD screen and stands with fascias; each screen will allow the rotation of many images (this uses media servers which is semi-complex but that's where our skills come in). This means the viewer can go around the exhibition again and again and see 100's of images. But the real beauty is that a touch screen device on exit will allow the viewer to pick an image they like and order it in several different formats e.g. print on canvas, print with frame, etc. This ensures that each artist/photographer who exhibits can generate income. For museums this could be associated literature for sale.

Focusing on different art mediums the project is to push works from those who may not get much exposure. For example, digital artists, 3D artists and photographers seldom exhibit compared to traditional artist. However, as part of our education programme with this project we also intend to show traditional artists how to convert their work to digital creating inclusion on all aspects of art.

Innovative Programming

Though it is natural for us to exhibit artistic groups such as photographic groups for example, but we also intend to bring in new crowds by taking popular culture and heritage themes and turning them into exhibitions. Here are just a few we are considering but with such a versatile digital canvas we can theme almost anything including working with all schools locally on curriculum themes.

- Sci-fi (art has always played a role here with many people interested in this theme)
- Landscapes (to include photography and paintings)
- History of the Design of... (this could be furniture, products, architecture, etc)
- Weird Archives (unusual items museums don't display)
- Children's Illustration
- The Moon – a mashup of digital art and photography
- The Life of Food
- Journalism photography
- Video gaming art
- Family life
- Sky at Night
- The Peoples Museum (pieces from the public)

**Project3:
Digital
Innovation
Gallery
Continued**

- WW1 or WW2
- Streetlife
- The World of Japan (and other countries)
- Manga
- The World of Macro
- And we have many more ideas that will entice newer audiences to art, heritage and digital

The other creative and innovative aspect of the gallery means it can also be used for visual performances and to unite community exhibitions with 100's of images at anyone time.

Income Generation

It is our intention to charge a small fee for those who exhibit and take commission for anything sold and are looking for other forms of income generation.

Online Development

In addition to the above an online virtual digital gallery website will be produced and updated with all exhibitions we create. This also allows us to sell work online.

Getting Involved

We have 29 artists/photographers signed up to the project already and are in talks with Somerset Heritage to get them involved by using the project to display their own digital heritage exhibition at Somerset Museum. We have 3 art centres/galleries interested in hosting the gallery and we are continuing to look for partner support; including those from TDBC and creative sector organisations. We will also examine twinning the project with another EU country.

**Project4:
Pictorial
History of
Taunton**

This community/heritage project is over a year old and the Heritage Lottery Fund have agreed that this £37k project is worthy of a full grant application and will be applied for in the next two months.

Pictorial History of Taunton Deane is a community engagement program designed to bring local history alive and to record the history of our community through the eyes and lives of those who live/lived here in the past, present and future.

Working with Somerset Heritage Centre, local newspapers and radio and other local historic groups we intend to bring images of Taunton Deane out of the closet and into main stream digital media. But the real icing on the cake is the opportunity for all in the local community to bring their photos, paintings and images to designated areas of Taunton Deane to have them scanned and recorded and added to an online people's museum so we can showcase the social history and changing of our local landscape.

Using volunteers and any resources from local groups the project in its simplest terms will work like this:

- Groups and volunteers will be given training in scanning, ICT, admin, archive research, website editing.
- Using our own building and a variety of village halls the public are invited to bring their photos/images for scanning and documenting. Ensuring that copyright and release forms are completed.
- Website will be built to house all images and interactive map will be used with geolocation mapping. Associated historical information will also be added. Other content will be devised such as before and after and a range of heritage related competitions. Video from important images will also be made.
- Using the database driven elements of the website a geolocation app will be created so users and visitors can engage with historical data.
- Upon launch a range of talks will be delivered in 2 locations in Taunton Deane and schools are invited to book a volunteer who will show a video and talk to schools about the project. However, we could extend this via HLF – Young Roots.
- Online project will last for 5 years and allow volunteers and public to continue adding new images and information.
- Collection donated to Somerset Heritage for digital archiving.

Project 4:
Pictorial
History of
Taunton
Continued

Through this project the investment will allow a new form of heritage data to be collated and added to the history of Taunton and through the use of digital services will become better managed, interpreted and explained.

With HLF investment volunteers and groups will develop skills in digital heritage and information management, it will change people's attitude of local heritage, widen the age groups accessing the information and bring into Somerset a new fun and enjoyable way of learning about the evolution of our communities, landscapes and lifestyles. With our focus on social history through images and words we connect people together and create conversations of memories that make living here a better place.

Once underway other local groups we be canvassed to get community involvement including local development trusts and associated societies.

The project will last for 12 months and remain online for 3 years; them archived by Somerset Heritage.

In summary our project will allow local people to create their version of local history bringing images of the past and promote story telling of memories. It will bring more of the hidden images of our local history into the mainstream and allow anyone in the world to access a whole range and database of local facts, stories and images. It will engage will all age groups and promote community cohesion through the common cause of local history.

Project 5:
CICCIC
Enterprise
Centre
(New Premises)

CICCIC already houses 2 new business start-ups and provides support and mentoring to both as part of their residency. We often pass business opportunities too which makes our enterprise development unique and of much value. We also have new and existing businesses who come in for advice and knowledge exchange as well CICCIC providing a range of workshops and training to support the business community.

However, as we have plans to make our venue a full time community café and that we cannot take on any more start-ups due to space restrictions it is clear that we have out grown our venue in Paul Street and need to expand elsewhere so we can continue and expand our enterprise programme.

We've been looking at the feasibility of this and now trying to identify buildings within the town centre so we can provide business incubation, but also a building that can act for other requirements such as meetings, workshops and a year on year enterprise programme. Consideration into making it into a café to further extend its financial sustainability has also been studied.

Our proposal is to work in partnership with TDBC to make this a creative enterprise centre a reality and deliver the same services we offer presently at CICCIC, but to also extend the programme to all businesses. It will help advance the creative industries in Taunton Deane and allow our social enterprise to find new routes to financial sustainability.

With support from TDBC we intend to look for funding and investment (e.g. RGF, Social Enterprise Fund, etc.) to upgrade the building we identify and make it fit for purpose. This requires a formal business plan and feasibility study on finances and it is expected that we manage all aspects including property management, but at this stage we believe an agreement should be pursued with TDBC to create this creative enterprise centre.

Once in action it will help drive business start-ups; expand the creative sector; help nurture creative ideas that people and groups have; provide business workspace and incubation, and provide enterprise and business innovation support.

PTO

**Project 6:
Somerset
Jazz
Festival**

CICCIC has established a jazz club in Taunton and we hold 20 jazz gigs a year. Now we have a working group underway to develop a feasibility study for holding a Somerset Jazz Festival in the heart of Taunton Town Centre. This nationally advertised event is designed to utilise Vivary Park and hold a two day event covering all genres of jazz. There will be seating, staging and lighting and full management of the grounds and security. In short it will be a concert with additional tents for other music and entertainment activities.

Jazz festivals around the UK create on average an audience of 1000-2000 and with each person spending an average of £40 this means we can contribute £80,00-£100,000 to the local economy and excludes any spend outside the jazz festival venue.

Once a feasibility study shows that it is financially sustainable our intention is to look for funding e.g. Arts Council Festival fund. This fund not only helps pay for festival set-up and running costs but can also include paying headline acts to perform. Support from TDBC and related partners will also be sought.

If successfully the plan is to hold this annually so we can establish a festival that is nationally recognised. We are using local suppliers and will involve working with other jazz venues in Somerset.

**Project 7:
Audience
Development
Research**

The Universities South West have agreed 60% funding for us to undertake a research project looking into the cultural interests of people in the Taunton Deane area, to find out what they would like to see regarding a cultural programming now and for the future. The information collected will inform effective creative and cultural programming and provide a firm platform for future investment to develop the arts and cultural offer in line with interests of the community.

Benefits to the local economy:

Through the development of an 'interactive' cultural needs analysis for the local community we can identify where creative practice and production will be more effective and targeted in relation to the audience/ market wants and needs, and therefore create a blueprint for new business development for the creative sector.

How:

By aligning this piece of work with local undergraduate students we would add value to their work through action research as well as support local R & D which will have benefits across the communities and creative industry development.

**Project 8:
Creative
Club
Taunton**

The Creatives Club is an informal networking group that meets to provide a place where the local, but dispersed community of professional creative people come together to share interests, bounce ideas around, spark off one another, create opportunities, increase exposure, explore collaborations and build ventures. The group meets between 8 and 10 pm on the second Tuesday of every month at CICCIC, Paul Street, Taunton.

Typical activities :

- Practising artists and designers showcase their work.
- Members discuss creative collaborative projects and alliances.
- Informal networking,
- CPD workshops, talks, activities, study tours.

The Creatives Club is now in its 12 month of meetings and has produced some exciting projects including:

- Go Create— An active group of creative people who are collaborating with Taunton Arts Festival to create an exciting visual arts, performance and music programme for Taunton.
- An exhibition promoting local creative practice including design and media, performance and visual arts
- Numerous social and commercial enterprises including a visual arts programme on the Halcon Estate, mural commission for TDBC for Tangier way, film commission for an anti-rape campaign, new business start ups and networking of creative organisations across Somerset developing community initiatives to support creative activity and health and well being.

Below is an overview of the potential monies will can bring into the local community along with the amount of people we are supporting and potential visitors to Taunton. This overview shows the economic viability of all our projects and having had the WW1 and Pictorial projects already given a yes in principle it is clear that any funding from TDBC (e.g. our request for £20k) could be given in support of our work in the community.

Project Name	Funds Bought into Local Community	Estimated People Supported in Project (per annum)	Audience Estimate for Project (per annum)	Volunteer and Paid Job Creation in Project
Community Cafe	£10,000	6000	8000	2 p/t & 2 vol
Taunton WW1 Centenary Project	£10,000	200	9000	4 vol
Digital Innovation Gallery	£250,000	70	20,000	2 p/t
Pictorial History of Taunton	£37,000	2	20,000	6 vol
Enterprise Centre	TBA	12	2000	1 p/t
Somerset Jazz Festival	Est. £80,000	12	8,000	2 p/t
Audience Development Research	£6000	10	N/A	N/A
Taunton Creative Club	0	90	380	N/A
TOTAL	£143,000	6396	67,380	7 p/t & 10 vol

PTO

Supplement

We are requesting £20k funding per annum (over the following 3 years) in order to sustain our financial viability and investment in business growth. This would create a robust platform for transition from a small turnover with limited investment potential to a business which can invest in a higher volume of support/creation for social enterprises and expand the creative industries and its benefits within the community.

This business development paper shows that we will be using this funding to drive our social enterprise towards financial sustainability. With a review each year we believe we will be in a better position to identify if further funding is required i.e. the investment from TDBC is reduced proportionally to the social enterprise business turnover and positive contributions to the local economy.

We are very positive that our plans to extend our business model and to drive more sales to support our work in the community and create financial sustainability will be achieved.

To put things simply, our request for funding is to not pay for a building or assist us in ongoing costs but to assist us in developing and supporting the creative sector within Taunton Deane as well as supporting us to deliver multiple projects that benefit Taunton Deane, its community, economic development within the creative sector, arts, culture, enterprise and heritage.

Taunton Deane Borough Council

Executive – 11 March 2015

Establishment of the Somerset Growth Board

Report of the Growth and Development Programme Manager

(This matter is the responsibility of Executive Councillor Norman Cavill)

1. Executive Summary

The purpose of the report is for Taunton Deane Borough Council to endorse the proposal to establish a Somerset Growth Board.

The Somerset Growth Plan was endorsed by all six local authorities in early 2014 (TDBC Executive 12 March 2014).

The key purpose of the Growth Board is:

- To provide strategic 'ownership' of the Somerset Growth Plan and manage the ongoing cycle of reviewing, updating and promoting the Plan;
- To act in an advisory capacity to the six Somerset Councils and the Heart of the South West (HotSW) Local Enterprise Partnership (LEP) in respect of the Somerset Growth Plan. All recommendations from the Board will be presented to the six councils for approval. The Board therefore has no delegated decision making authority;
- To accelerate delivery of the Somerset Growth Plan and maximise local accountability.

2. Background

- 2.1 The Somerset Growth Plan was developed by the six local authorities, business representative organisation and other key stakeholders including the Local Enterprise Partnership (LEP) and Somerset's Further Education sector. The Growth Plan sets out Somerset's plans to promote growth between now and 2020 and for laying the foundations for long term sustainable economic growth for years after this. It was developed to attract and guide investment into Somerset, to overcome barriers and maximise sustainable employment and housing growth from local opportunities, benefitting Somerset's communities, businesses and residents. The Growth Plan was endorsed by all six local authorities in February/March 2014 (TDBC Executive 12 March 2014).
- 2.2 The LEP's first Growth Deal has demonstrated the success of working in partnership to agree initial priorities for Somerset and our ability to effectively influence the LEP's negotiations with Government to secure investment. Somerset will see around £36m of investment from the Growth Deal 1; £18m

of which is allocated in 2015/16. Growth Deals are an ongoing process by which the Government will award LEPs a share of the Single Local Growth Fund to support the Government's localism agenda. Growth Deal 2 was confirmed at the end of January 2015 with a Government announcement that £65.2 million is being awarded to Somerset and Devon – and Taunton Deane will be a major beneficiary with funding for major improvements to M5 Junction 25, improved superfast broadband coverage for rural areas, and a possible new enterprise centre in Wiveliscombe. Our priorities now are to support the LEP in delivering the funded Growth Deal projects and to ensure we are in a position to effectively influence future Growth Deal negotiations.

- 2.3 Equally the climate for securing investment, both within our LEP and across all the LEPs nationally is very competitive and Somerset needs to position itself effectively to maximise success in the future. The context for this also includes growing expectations from Central Government of integrated working across local authorities in economic development, as illustrated by the devolution package for Greater Manchester in late 2014. To ensure partners within Somerset continue to have a coherent and collective voice to agree ongoing priorities for growth, to communicate them to others and can demonstrate that they are responding to the Government's agenda for collaborative working, the Somerset Chief Executives and Leaders Group have endorsed the establishment of a Somerset Growth Board.
- 2.4 Various discussions and consultations have taken place in respect of the Somerset Growth Board. Reports have been presented at key stages to the Somerset Regeneration Directors, Somerset Chief Executives and the Somerset Leaders Groups.

3. Somerset Growth Board

- 3.1 The Terms of Reference for the Growth Board were endorsed by Somerset County Council on 14 November 2014 and are attached at **Appendix A**. The Growth Board will be the way in which the Somerset growth agenda is integrated into the LEP and will give impetus to the Growth Plan.
- 3.2 The key purpose of the Growth Board is to take strategic ownership of the Growth Plan, ensuring that Somerset's priorities are communicated with key partners, such as the LEP, and to provide local accountability for its delivery. The Growth Board will act in an advisory capacity to the six Somerset Councils and the LEP and will present recommendations from the board to individual councils for approval.
- 3.3 A key function of the Board will be to ensure that Somerset is in a position to respond, at short notice, to ongoing calls for projects should additional funding be made available. Somerset should have a pipeline, for the LEP and other external agencies, of prioritised projects supported by evidenced business cases. If we are not in a position to provide these details then the LEP will have to make decisions on the information it can obtain; it is therefore in our best interests to ensure we work towards developing and agreeing Somerset's priorities.

3.4 To ensure the Growth Board can effectively attract and guide investment it will need sufficient executive support. Regeneration Directors can provide an overarching senior executive support role for the Board through their support to the thematic sub-groups and attendance at the Board meetings. However, additional support will be needed for management and ongoing review of the Growth Plan; primarily the development and management of a project pipeline based on evidenced business cases. A monitoring evaluation framework will be developed which will provide appropriate performance reporting allowing the Board to identify where further effort needs to be made to achieve the strategic targets. In order to support the Growth Plan's wider purpose, of overcoming barriers and maximising sustainable growth from local opportunities, appropriate communications and engagement with stakeholders is needed. There are currently no identified resources to provide this executive support to the Growth Board. To ensure its effectiveness it is suggested that each of the six Somerset councils co-fund this support and each commit to a three year financial contribution as set out in the table below:

Local Authority	Annual Contribution
Somerset County Council (cash)	5,000
Somerset County Council (in-kind)	4,500
Mendip District Council	3,071
Sedgemoor District Council	3,277
South Somerset District Council	4,570
Taunton Deane Borough Council	3,125
West Somerset District Council	957
TOTAL	24,500

3.5 Alternative options considered by the Chief Executives and Leaders included:

- “Status quo arrangements” - the authorities continuing to work as per present through informal collaboration and seeking to secure direct influence on the LEP and other bodies for local priorities. However this has the implication of competition among Somerset partners for influence and resources. It is also likely that greater influence will be secure through collaborative working
- Growth Board with joint decision making powers - The Somerset Chief Executives and Leaders considered the possibility of the Growth Board being a decision making authority, but it was agreed that individual authorities would still like to maintain overarching control of decisions; the Growth Board is therefore an advisory Board which is reflected within the Terms of Reference.

4. Finance Comments

4.1 Taunton Deane Borough Council has been requested to make an annual contribution of £3,125 over the next three years to support the core costs of the Growth Board. It is recommended that the Council should make this contribution initially on a one year basis (for 2015/16), with in principle support

for the full three year contribution to be earmarked if possible. This will be funded from the anticipated over recovery of Planning income in 2014/15.

4.2 A contribution totalling £24,500 per annum will need to be secured from the Somerset Local Authorities, as detailed in paragraph 3.4, over the same period.

4.3 The Somerset Growth Board, by enabling shared investment priorities among Somerset partners and facilitating a co-ordinated Somerset “voice” to the LEP, and Government departments and agencies, is likely to result in increased and better targeted external investment in Somerset infrastructure and growth priorities.

4.4 **Section 151 Officer comment** - It would be appropriate to transfer a sum of £3,125 to an earmarked reserve in the current financial year for use in 2015/16 to assist with the establishment of the Somerset Growth Board.

5. Legal Comments

5.1 There are no legal implications directly arising from this decision.

6. Links to Corporate Aims

6.1 The Council’s corporate priorities (and associated objectives) align closely with the objectives within the Somerset Growth Plan, in particular:

- Quality sustainable growth and development
- A vibrant economic environment

7. Environmental and Community Safety Implications

7.1 No implications identified as a direct result of this decision.

8. Equalities Impact

8.1 No implications identified as a direct result of this decision.

9. Risk Management

9.1 If Somerset does not develop and agree a collaborative set of local priorities it will not be able to effectively influence the LEPs priorities and will therefore be at risk of not being able to attract its fair share of funding through the Growth Deal negotiations. This also poses a reputational risk to Somerset in that we will not be seen to be working collaboratively across the local area.

9.2 The formation of a Somerset Growth Board as described in this report is designed to mitigate this risk

10. Partnership Implications

- 10.1 The Somerset Growth Board will respond to the Government's agenda for collaborative working (as described in paragraph 2.3).

11. Comments from Scrutiny

- 11.1 This report was considered by the Community Scrutiny committee 3 March 2015 – a verbal update on any comments will be made at the Executive committee meeting.

12. Recommendations

The Executive is **recommended** to:-

- (a) Endorse the Somerset Chief Executive and Leaders' proposal to establish a Somerset Growth Board; and
- (b) Agree that a sum of £3,125 is transferred to an earmarked reserve in 2014/2015 (from planning income) to provide a funding contribution to Growth Board core costs for year 1 (2015/16), with an in-principle support for years 2 and 3 subject to review of the Board and availability of sufficient planning income in 16/17 and 17/18 respectively.

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SOMERSET GROWTH BOARD

TERMS OF REFERENCE

1. Purpose of the Somerset Growth Board

- 1.1 To provide strategic 'ownership' of the Somerset Growth Plan and manage the ongoing cycle of reviewing, updating and promoting the Plan;
- 1.2 To act in an advisory capacity to the six Somerset Councils and the Heart of the South West (HotSW) Local Enterprise Partnership (LEP) in respect of the Somerset Growth Plan. All recommendations from the Board will be presented to the six councils for approval. The Board therefore has no delegated decision making authority;
- 1.3 To accelerate delivery of the Somerset Growth Plan and maximise local accountability;
- 1.4 To have strategic oversight of the thematic sub-groups (Place, Employment and Skills, Business and Hinkley Local Leads) and funding streams associated with the delivery of the Somerset Growth Plan.

2. Core functions

- 2.1 To review and update the objectives and priorities within the Growth Plan at least annually, and make recommendations for approval by the six councils and endorsement by local business representatives;
- 2.2 To facilitate and promote joined-up delivery amongst partners of key projects identified within the Growth Plan and any associated activities;
- 2.3 To coordinate the local government contribution to the delivery of key projects identified within the Growth Plan and any associated activities;
- 2.4 To oversee delivery of the accountable body function, adopted by member organisations if appropriate;
- 2.5 To engage with and obtain support from key partners and stakeholders at a strategic level to support delivery of the Growth Plan;
- 2.6 To provide the strategic link between local government in Somerset and the HotSW LEP Board;
- 2.7 To provide the strategic link between Somerset's key economic development stakeholders and the Hinkley Strategic Development Forum (HSDF), and other appropriate National / sub-National forums;
- 2.8 To provide a coordinated response to consultations and policy announcements that impact upon the delivery of the Growth Plan. This does not exclude the six councils from responding separately where necessary.

3. Membership

- 3.1 Membership of the Somerset Growth Board shall be limited to:
 - Cabinet Economic Development leads from the County Council and each of the five District Councils,
 - Regeneration Directors,
 - HotSW LEP representative,
 - Business representatives (FSB, Chamber, IoD etc).
- 3.2 Membership of the Board shall be reviewed annually.

- 3.3 From time to time, the Chairman may invite 'guests' to present to the Board on specific topics of relevance to the focus of the meeting.

4. Role and Responsibilities of Members

Board Members should:

- 4.1 have the responsibility to represent their organisation or partnership and to feedback information to relevant individuals within the organisation or partnership they represent;
- 4.2 make recommendations to the council for the prioritisation of projects and resource commitments necessary to deliver them;
- 4.3 inform the Board of their councils commitment to deliver individual projects;
- 4.4 ensure that their council has a concise decision making process in place to agree issues of shared interest on growth and meet timetables set by government for national funding and other funding mechanisms;
- 4.5 make every effort to prioritise attendance at scheduled meetings but are asked to nominate a relevant substitute from the same organisation or partnership. In the case of Local Authority Cabinet Leads, the substitute should be a Cabinet member. The substitute will be copied into correspondence relating to meeting dates and papers, for information.

5. Chairmanship

- 5.1 A Chair shall be elected from the Board and hold office for a minimum of one year.

6. Meetings

- 6.1 A minimum of one meeting per quarter should be held throughout the year, with additional meetings scheduled as required.

7. Reporting lines

- 7.1 The Boards' recommendations will be referred to the six councils for decision;
- 7.2 The Somerset Councils Leaders Group will mediate where the Board is unable to achieve a consensus in support of recommendations to the councils or where the councils are unable to agree the Boards recommendations.

8. Resourcing

- 8.1 The administration of the Somerset Growth Board will be resourced by the member Local Authorities.

9. Review date for the Terms of Reference

- 9.1 The Terms of Reference will be reviewed annually from the point of acceptance and recommended for approval by the six councils.

11/03/2015, Report:Discretionary Reduction in Council Tax Liability Policy and Discretionary Housing Payment Policy

Reporting Officers:Dean Emery

11/03/2015, Report:Establishment of the Somerset Growth Board

Reporting Officers:Dan Webb

11/03/2015, Report:Creation of the Somerset Building Control Partnership

Reporting Officers:Chris Hall

11/03/2015, Report:Funding request from Creative Innovation Centre Community Interest Company (CICCIC)

Reporting Officers:Ian Timms

22/04/2015, Report:Universal Credit and Local Support

Reporting Officers:Mark Antonelli

10/06/2015, Report:Deane DLO Relocation

Reporting Officers:Chris Hall

Contains exempt information requiring private consideration: Yes

Exempt reason:Some of the information contained in the report is likely to be of a confidential nature.

08/07/2015, Report:Q4 Performance Report

Reporting Officers:Paul Harding

08/07/2015, Report:Proposed Compulsory Purchase Action - Land at Monkton Heathfield

Reporting Officers:Julie Moore

Contains exempt information requiring private consideration: Yes

Exempt reason:The report is likely to contain confidential information.

08/07/2015, Report:Financial Outturn Report

Reporting Officers:Paul Fitzgerald

09/09/2015, Report:Write Off Report

Reporting Officers:Steve Read

09/09/2015, Report:Firepool Land Assembly - Confidential

Reporting Officers:Tom Gillham

Contains exempt information requiring private consideration: Yes

Exempt reason:The report will contain confidential information relating to land-holdings and other related material.

09/09/2015, Report:Citizens Advice Bureau Constructions Skills

Reporting Officers:Matt Parr

09/09/2015, Report:Proposed Apprentice Post in Housing and Communities

Reporting Officers:Martin Price

03/12/2015, Report:Council Tax Support Scheme 2016/17

Reporting Officers:Heather Tiso

03/12/2015, Report:Proposed Sheltered Housing Service Model Report

Reporting Officers:Gary Kingman,Stephen Boland

03/12/2015, Report:Fees and Charges 2016/2017

Reporting Officers:Steve Plenty

03/12/2015, Report:Local Development Orders – Progress Report

Reporting Officers:Tim Burton

03/12/2015, Report:Q2 Financial Monitoring 2015/2016

Reporting Officers:Steve Plenty

03/12/2015, Report:New Homes Bonus Report

Reporting Officers:Dan Webb

04/02/2016, Report:Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy 2016/17

Reporting Officers:Paul Fitzgerald

04/02/2016, Report:Earmarked Reserves Review

Reporting Officers:Steve Plenty

04/02/2016, Report:Capital Programme 2016/2017

Reporting Officers:Steve Plenty

04/02/2016, Report:General Fund Revenue Budget 2016/2017

Reporting Officers:Steve Plenty

04/02/2016, Report:Housing Revenue Account Budget 2016/2017

Reporting Officers:Steve Plenty

04/02/2016, Report:Corporate Strategy 2016/2020

Reporting Officers:Paul Harding

04/02/2016, Report:Somerset Waste Partnership Business Plan

Reporting Officers:Chris Hall

09/03/2016, Report:Community Asset Transfer Policy – Taunton Deane Borough Council and West Somerset Council

Reporting Officers:Tim Child

Contains exempt information requiring private consideration: Yes

Exempt reason:Yes. The report may contain some commercially sensitive information.

09/03/2016, Report:Q3 Performance Report

Reporting Officers:Paul Harding

09/03/2016, Report:Corporate Equality Objectives

Reporting Officers:Christine Gale

09/03/2016, Report:Q3 - Financial Performance report

Reporting Officers:Steve Plenty

09/03/2016, Report:Housing Revenue Account Business Plan Review

Reporting Officers:James Barrah

24/03/2016, Report:Creedwell Orchard, Milverton Option Agreement – Proposed Extension of the Trigger Date

Reporting Officers:Adrian Priest

Contains exempt information requiring private consideration: Yes

Exempt reason:The report may contain a confidential appendix.

21/04/2016, Report:Empty Homes Strategy and review of Empty Property Coordinator

Reporting Officers:Mark Leeman

21/04/2016, Report:Superfast Broadband Phase 2 report

Reporting Officers:Ian Timms

09/06/2016, Report:Car park variable message signage and pay on foot – Request for budget allocation

Reporting Officers:Ian Timms

09/06/2016, Report:TDBC revised Corporate Debt Policy

Reporting Officers:Dean Emery

07/07/2016, Report:Housing Revenue Account Business Plan Review

Reporting Officers:James Barrah

07/07/2016, Report:Q4 - Financial Outturn report

Reporting Officers:Steve Plenty

07/07/2016, Report:Q4 Performance Report

Reporting Officers:Paul Harding

04/08/2016, Report:Housing Company

Reporting Officers:James Barrah

04/08/2016, Report:Report on Grants Policy

Reporting Officers:Christian Trevelyan,Mark Leeman

08/09/2016, Report:Review of Deane Helpline

Reporting Officers:Chris Hall

Contains exempt information requiring private consideration: Yes

Exempt reason:The report may contain some commercially sensitive information.

08/09/2016, Report:Update on Coal Orchard Consultation

Reporting Officers:Ian Timms

09/11/2016, Report:Review of Council Tax Support Scheme

Reporting Officers:Heather Tiso

09/11/2016, Report:Deane Lottery

Reporting Officers:Angela Summers